

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of December 8, 2006 between Capstar Radio Operating Company, a Delaware corporation, and Capstar TX Limited Partnership, a Delaware limited partnership, (collectively, "Seller") and Three Eagles of Lincoln, Inc., a Delaware corporation ("Buyer").

### Recitals

A. Seller owns and operates the following radio broadcast stations (each a "Station" and collectively the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC");

KIBZ-FM (Crete, NE)  
KLMY-FM (Lincoln, NE)  
KTGL-FM (Beatrice, NE)  
KZKX-FM (Seward, NE)

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

### 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, at Closing (defined below), except as set forth in Sections 1.2 and 1.3, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets and properties of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Stations (the "Station Assets"), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing and all transferable licenses, permits and other authorizations issued to the Seller by any state, federal or local governmental entity or municipality or authority thereof with respect to the Stations;

(b) all of Seller'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 Stations, including without limitation those listed on *Schedule 1.1(b)*, except for any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business (the "Tangible Personal Property");

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

(d) all agreements for the sale of advertising time on the Stations entered into in the ordinary course of business, and all other contracts, agreements and leases entered into in the ordinary course of the Stations' business, including without limitation those listed on *Schedule 1.1(d)*, together with all contracts, agreements and leases made between the date hereof and Closing in accordance with Article 4 (the "Station Contracts"), it being understood that if Seller received a special discounted rate with respect to any of the Station Contracts due to Seller's being an affiliate of another party thereto, then the fees assumed thereunder shall be the rate set forth therein, but only for a period the shorter of (i) the balance of the term thereof, or (ii) twelve (12) months from the Closing Date and if the balance of the term thereof exceeds twelve (12) months, at the end of said twelve (12) month period, and thereafter throughout the remaining term thereof, the fees thereunder shall be the then current rates the other party is charging its non-affiliated entities for comparable services or such other rates as the parties mutually agree;

(e) all of Seller's rights in and to the intangible property listed on *Schedule 1.1(e)* (the "Intangible Property"), including but not limited to call letters, together with any associated good will;

(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 Stations, including the Stations' local public files, programming information and studies, engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers and customers, credit and sales reports, and logs, but excluding records relating to Excluded Assets (defined below);

(g) all of the good will of the Stations;

(h) all of Seller's rights under manufacturers' and vendors' warranties relating to items included in the Station Assets and all other rights against third parties relating to items included in the Station Assets to the extent transferable;

(i) all of Seller's rights to any and all slogans, jingles, promotions, contents, themes and other promotional rights, including materials incorporating or using the same, together with any replacements thereof and additions thereto made between the date hereof and the Closing Date in accordance with Article 4, but only to the extent such are used solely and exclusively in the operations and programming of the Stations and excluding those items relating to the Excluded Assets; and

(j) all programs and program production materials of whatever form or nature owned by Seller and used solely and exclusively in the operations and programming of the Stations, including, but not limited to, all record libraries, records, cartridge tapes, compact discs, news archives, promotional materials and all other materials of a commercial nature (the "Libraries"), together with any replacements thereof and any additions thereto between the date

hereof and the Closing Date in accordance with Article 4, but excluding those Libraries relating to the Excluded Assets.

The Station Assets shall be transferred to Buyer free and clear of liens, claims, debts, pledges, charges, restrictions or other liabilities and encumbrances ("Liens") except for Assumed Obligations (defined in Section 1.4), liens for taxes not yet due and payable, liens that will be released at or prior to Closing, and, with respect to the 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 Stations (collectively, "Permitted Liens").

1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any 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, money market accounts and all such similar accounts or investments;
- (b) all tangible and intangible personal property of Seller retired or disposed of between the date of this Agreement and Closing in accordance with Article 4;
- (c) all Station Contracts that are terminated or expire prior to Closing in accordance with Article 4;
- (d) Seller's corporate and trade names unrelated to the operation of the Stations (including the name "Clear Channel"), charter documents, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Stations, and all records not relating to the operation of the Stations;
- (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 pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;
- (g) the Stations' 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 (the "A/R");
- (h) any non-transferable shrinkwrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Stations;
- (i) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Stations and the Station Assets, 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 Seller receives a credit therefor under Section 1.7;

(k) Any Intangible Property not listed on *Schedule 1.1(e)*;

(l) computers and other assets located anywhere other than at the Station studios, and any other operating systems and related assets that are used in the operation of multiple stations or other business units;

(m) all studio, tower and other assets used or held for use in the operation of any other radio or television station owned or operated by Seller or an affiliate of Seller;

(n) any shares of stock in Broadcast Music, Inc. held by Seller;

(o) if any Station has a Fox News contract that may not be assigned, then such contract is an Excluded Asset;

(p) if any Station has an agreement with LAN International for use of the Viero software, then such agreement is an Excluded Asset, but at Closing Buyer will enter into a new license agreement for such Station substantially in the form attached hereto as *Exhibit A*;

(q) if any Arbitron contract is replaced with a new agreement pursuant to Section 1.3(c), then the superseded contract is an Excluded Asset;

(r) all intercompany arrangements among Seller and its affiliates that are not listed on *Schedule 1.1(c)* or *Schedule 1.1(d)*; and

(s) the assets listed on *Schedule 1.2* (if any);

If any Station uses a tower that is owned by Seller or an affiliate of Seller and used or held for use in the operation of any other radio or television station owned by Seller or an affiliate of Seller, then at Closing, the parties will enter into the lease attached hereto as *Exhibit B*.

### 1.3. Shared Assets.

(a) Some of the Station Contracts may be used in the operation of multiple stations or other business units and shall be listed on *Schedule 1.3* (the "Shared Contracts"). The rights and obligations under the Shared Contracts shall be equitably allocated among stations and such other business units in a manner reasonably determined by Seller, subject to Buyer's reasonable approval to the extent such Shared Contracts are allocated to Buyer as Assumed Obligations, in accordance with the following equitable allocation principles:

(i) any allocation set forth in the Shared Contract shall control;

(ii) if none, then any allocation previously made by Seller in the ordinary course of Station operations shall control;

(iii) if none, then the quantifiable proportionate benefit to be received by the parties after Closing shall control; and

(iv) if not quantifiable, then reasonable accommodation shall control.

(b) Buyer shall cooperate with Seller (and any third party designated by Seller) in such allocation, and the Station Contracts (and Assumed Obligations (defined below)) will include only Buyer's allocated portion of the rights and obligations under the Shared Contracts (without need for further action and whether such allocation occurs before or after Closing). If designated by Seller, such allocation will occur by termination of the Shared Contract and execution of new contracts. Buyer's allocated portion of the Shared Contracts will not include any group discounts or similar benefits specific to Seller or its affiliates. Completion of documentation of any such allocation is not a condition to Closing.

(c) Buyer's allocated portion of such Shared Contracts will not include any group discounts or similar benefits specific to Seller or its affiliates. Without limiting the foregoing, any Arbitron agreements assigned hereunder may not include any rate discount or other terms specific to Seller's umbrella contracts with Arbitron. With respect to each Arbitron contract, if requested by Arbitron, then prior to Closing Buyer shall enter into a new contract with Arbitron effective as of Closing on the Arbitron terms that are applicable to the Stations as owned by Buyer. Whether new or assumed, no Arbitron contract will include Seller's discount or other group terms.

1.4. Assumption of Obligations. On the Closing Date (defined below), Buyer shall assume the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Station Contracts, the obligations described in Section 5.7 and any other liabilities of Seller to the extent Buyer receives a credit therefor under Section 1.7 (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer 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 Seller (the "Retained Obligations").

1.5. Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing Buyer shall pay Seller, by wire transfer of immediately available funds, the sum of Fourteen Million Five Hundred Thousand Dollars (\$14,500,000), subject to adjustment pursuant to Section 1.7 (the "Purchase Price").

1.6. Deposit. On the date of this Agreement, Buyer shall make a cash deposit in immediately available funds in an amount equal to One Million Four Hundred Fifty Thousand Dollars (\$1,450,000) (the "Deposit") with Bank of America (the "Escrow Agent") pursuant to the Escrow Agreement (the "Escrow Agreement") of even date herewith among Buyer, Seller and the Escrow Agent. Upon payment in full of the Purchase Price to Seller at Closing, the Deposit and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by either party pursuant to Section 10.1(d) or by Seller pursuant to Section 10.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller, unless the termination is pursuant to Section 10.1(d) and Seller is in material default under this Agreement at the time of such termination, in which event the Deposit and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated for any other reason, the Deposit and any

interest accrued thereon shall be disbursed to Buyer. 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 Buyer to make the Deposit on the date hereof constitutes a material default as to which the Cure Period under Section 10.1 does not apply entitling Seller to immediately terminate this Agreement.

1.7. Prorations and Adjustments.

(a) All prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Stations shall be prorated between Buyer and Seller 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 Station Contracts and similar prepaid and deferred items. Seller shall receive a credit for all of the Stations' deposits and prepaid expenses. Sales commissions related to the sale of advertisements broadcast on the Stations prior to Closing shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after Closing shall be the responsibility of Buyer. Annual FCC license fees shall be apportioned as of the Closing on the basis of fees assessed the preceding year, with a reapportionment as soon as new fees can be ascertained. Prorations and adjustments shall be made as follows:

(i) Ten (10) days prior to the Closing Date, Seller shall prepare and deliver to Buyer, a statement of income and expense (the "Preliminary Closing Proration Statement"), setting forth the prorations determined in accordance with this Section 1.7. The Preliminary Closing Proration Statement shall be prepared in a form that sets forth the amounts due to or from Buyer or Seller, as the case may be. Upon receipt of the Preliminary Closing Proration Statement, Buyer and its accountants shall have the right to examine, at Buyer's expense, the Preliminary Closing Proration Statement and all work papers, schedules, and other books and records used in the preparation of such Preliminary Closing Proration Statement, and to make reasonable inquiry of Seller and its accountants. If Buyer objects to the Preliminary Closing Proration Statement, it shall so advise Seller, and Seller and Buyer shall each use their best efforts to resolve their differences concerning the Preliminary Closing Proration Statement as soon as possible, but in any event prior to the Closing Date. If Seller and Buyer are unable to resolve the matter, they shall jointly appoint an independent certified public accounting firm to resolve the dispute. The fees of such independent accounting firm shall be split evenly between Buyer and Seller. Seller and Buyer shall cooperate fully with such independent accounting firm. Such independent accounting firm's resolution of the dispute shall be final and binding upon the parties. The parties shall use their best efforts to cause the accounting firm to resolve such dispute, if any, concerning the Preliminary Closing Proration Statement as soon as possible, but in any event prior to the Closing Date.

(ii) Within sixty (60) days following the Closing Date, Buyer shall prepare and deliver to Seller the Final Closing Proration Statement indicating the prorations as set forth above, together with copies of all work papers, schedules,

and supporting documentation reasonably sufficient to allow Seller to verify the prorations prepared by Buyer. Within ten (10) days of receipt of the Final Closing Proration Statement, Seller shall either accept the prorations set forth in the Final Closing Proration Statement or give Buyer a Notice of Disagreement. If Seller fails either to accept the prorations set forth in the Final Closing Proration Statement or to give Buyer a Notice of Disagreement within ten (10) days of receipt of the Final Closing Proration Statement, then Seller shall be deemed to have accepted such prorations. The Notice of Disagreement shall state the amount of money Seller believes is due to or from Seller pursuant to the prorations set forth herein ("Seller's Amount"), and Buyer shall have ten (10) days to accept or reject Seller's Amount. If Buyer rejects Seller's Amount, any amount not in dispute shall be immediately paid and the remaining amount in dispute shall be submitted to an independent certified public accounting firm selected jointly by the parties for resolution of the dispute, such resolution to be final and binding upon the parties. Buyer and Seller agree to share equally the cost and expenses of such accounting firm. All amounts owed pursuant to this Section 1.7 shall be paid within ten (10) days of acceptance, failure to object or, if there is a dispute, resolution of the amount due. If such amount is not paid within such ten (10) day period, interest on such amount shall accrue until paid at 12%.

(b) With respect to trade, barter or similar agreements for the sale of time for goods or services assumed by Buyer pursuant to Section 1.1(d), Seller shall use reasonable commercial efforts to run off all such time prior to Closing. In addition, if at Closing the Stations have an aggregate negative barter balance (*i.e.*, the amount by which the value of air time to be provided by the Stations after the Effective Time exceeds the fair market value of corresponding goods and services), there shall be no proration or adjustment, unless the negative barter balance of the Stations as an aggregate exceeds \$60,000, in which event such excess shall be treated as prepaid time sales of Seller, and adjusted for as a proration in Buyer's favor. In determining barter balances, the value of air time shall be based upon Seller's rates as of Closing, and corresponding goods and services shall include those to be received by the Stations after Closing *plus* those received by the Stations before Closing to the extent conveyed by Seller to Buyer as a part of the Station Assets.

1.8. Allocation. Buyer and Seller shall agree upon the allocation of the Purchase Price among the Station Assets for tax purposes five (5) days prior to Closing. Buyer and Seller will each file their respective tax returns reflecting such allocation in accordance with requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code").

1.9. Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place on or before the fifteenth business day after the date of the last to occur of the FCC Consent pursuant to the FCC's initial order, FCC consent to the assignments contemplated by the Divestiture Condition pursuant to the FCC's initial order, HSR Clearance (defined below), or on such later day after such consent as Buyer and Seller may mutually agree (whether by FCC extension or otherwise), subject to the satisfaction or waiver of the conditions set forth in Articles 6 or 7 below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.10. Governmental Consents.

(a) Within ten (10) days of execution of this Agreement, Buyer will prepare and deliver to Seller's counsel the assignee's portions of an application (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses to Buyer. Seller shall use commercially reasonable efforts to cause the FCC Application to be filed with the FCC as promptly as practicable, but in all events within ten (10) business days after the receipt of the aforementioned materials from Buyer, including all information, data, exhibits, resolutions, statements and other materials required to be filed in connection with the FCC Application. FCC consent to the FCC Application without any material adverse conditions other than those of general applicability is referred to herein as the "FCC Consent". Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) If applicable, within ten (10) business days after the date of this Agreement, Buyer and Seller shall make any required filings with the Federal Trade Commission and the United States Department of Justice 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 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) Buyer and Seller 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. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder. The FCC Consent and HSR Clearance are referred to herein collectively as the "Governmental Consents".

(d) In connection with any merger agreement or other strategic transaction, notwithstanding anything to the contrary set forth in this Agreement, if Seller notifies Buyer 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, the parties shall amend, withdraw and re-file, or otherwise modify the FCC Application and any filing under the HSR Act, when requested by Seller to make such change, whether minor or major, at Seller's expense. In addition, notwithstanding anything to the contrary set forth in this Agreement, Seller may assign this Agreement and convey all or any part of the Station Assets to a divestiture trust pursuant to which the trustee assumes this Agreement, either in whole or in part, as to such assets.

1.11. Ownership.

(a) To comply with the FCC's multiple ownership rules, prior to Closing Buyer must consummate the divestiture of two FM radio stations now owned by Buyer that are located in the market in which the Stations are located (the "Divestiture Condition"). Whether by sale of stations to an FCC-approved third party buyer, an FCC-approved "qualified intermediary" or exchange accommodation titleholder ("EAT") under section 1.1031(k)-1(g)(4)



of the treasury regulations and Rev. Proc. 2000-37, respectively, or an FCC-approved third party trustee, Buyer shall satisfy the Divestiture Condition to permit Closing not later than the Outside Date (defined below). Any such application may be withdrawn prior to grant and simultaneously replaced with one or more applications requesting consent to sell stations to a third party buyer as necessary to enable Buyer to acquire the Stations in compliance with FCC media ownership rules.

(b) The FCC Application shall reflect Buyer's compliance with the FCC multiple ownership rules by simultaneous sale of stations to a third party buyer or trustee, EAT or qualified intermediary. Buyer shall cause such third party buyer or trustee, EAT or qualified intermediary to file all FCC applications necessary in connection therewith not later than the time provided by Section 1.10(a). The FCC Consent may contain a condition to the effect that Buyer must consummate such divestiture prior to or simultaneously with Closing.

(c) If Buyer elects to file an FCC application requesting consent to transfer all or certain of its stations to a trust or EAT or qualified intermediary, then such application shall be filed at the same time the FCC Application is filed. Provided Seller complies with Section 1.10(a), if the FCC does not accept both such applications for filing within ten (10) business days, or if they are accepted but not approved within three months after the release of the Public Notice announcing acceptance for filing, then within 30 calendar days thereafter Buyer shall withdraw its trust or EAT or qualified intermediary application and simultaneously replace it with one or more FCC applications requesting consent to sell stations to a third party buyer as necessary to enable Buyer to acquire the Stations in compliance with the FCC media ownership rules, and Buyer shall thereafter maintain on file and diligently prosecute such replacement applications. Buyer's failure to comply with this Section 1.11(c) will constitute a material breach as to which the Cure Period (defined below) does not apply, and will entitle Seller to terminate the Agreement in which event the Deposit and any interest accrued thereon shall be disbursed to Seller.

1.12. Outside Date. Section 10.1(d) provides that either party may terminate this Agreement if Closing does not occur by the Outside Date. As used in this Agreement, the term "Outside Date" means the date eight (8) months after the date of this Agreement, except as provided below. Buyer may elect to extend the Outside Date by one or more periods of six (6) months each (but not more than four such extensions) by paying Seller as follows: (i) \$2,175,000 for the first such extension, and (ii) \$2,900,000 per extension for each subsequent extension. Each such payment shall be made by wire transfer of immediately available funds not later than the then-current Outside Date, and shall be final and non-refundable. If Closing occurs, each such payment (if any) shall be credited as a partial payment of the Purchase Price. If Seller action under Section 1.10(d) delays processing of the FCC Application, then the Outside Date shall also be extended by the period of such delay up to six (6) months without additional payment.

1.13. Non-Competition Agreement. The consideration above includes compensation to Seller for non-competition agreements in an amount to be established by and provided for in the Purchase Price allocations. The Non-Competition Agreement will provide that damages for breach of said agreement shall not exceed the actual amount of the damages incurred by Buyer. The terms and conditions of the Non-Competition Agreement shall be as set forth on *Exhibit C* attached hereto and incorporated herein by this reference.

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

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, deliver and perform this Agreement and all of the other agreements and instruments to be made by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2. Authorization. The execution, delivery and performance of this Agreement and the Seller 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 Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller 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). Seller has the power and authority to acquire, own, lease and operate the Station Assets, and Seller has the power and authority to conduct the business of the Stations as now being conducted.

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 Station Contracts, the execution, delivery and performance by Seller of this Agreement and the Seller Ancillary Agreements and the consummation by Seller of any of the transactions contemplated hereby does not (i) conflict with any organizational documents of Seller, (ii) conflict with, constitute grounds for termination of, or result in a breach of any contract or agreement to which Seller is a party or by which it is bound, (iii) violate any any law, judgment, order, or decree to which Seller is subject, (iv) result in the creation of any lien, charge or encumbrance on any of the Station Assets, or (v) require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party.

2.4. FCC Licenses. Except as set forth on *Schedule 1.1(a)*:

(a) Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*, which are all of the licenses, permits and authorizations required for the present operation of the Stations. 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, or, to Seller's knowledge, threatened, 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). 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 Stations or against Seller with respect to the Stations that could result in any such action. The Stations are operating in compliance in all material respects with the FCC Licenses, the

Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC.

(b) All material reports and filings required to be filed with the FCC by Seller with respect to the Stations have been timely filed. All such reports and filings are accurate and complete in all material respects. Seller maintains appropriate public inspection files at the Stations as required by FCC rules.

2.5. Taxes. Seller has, in respect of the Stations' business, filed all foreign, federal, state, county and local income, excise, employment and employee withholding, 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, or segregated and set aside, all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable. To the best of Seller's knowledge, neither the IRS nor any other taxing authority is now asserting or is threatening to assert against Seller any deficiency or claim for additional taxes or interest thereon or penalties in connection with the Stations' business.

2.6. Personal Property. *Schedule 1.1(b)* contains a list of material items of Tangible Personal Property included in the Station Assets. Except as set forth on *Schedule 1.1(b)*, Seller has good and marketable title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. Except as set forth on *Schedule 1.1(b)*, all material items of Tangible Personal Property are in good operating condition, ordinary wear and tear excepted. All such Tangible Personal Property and Station Assets, and the use and the state of maintenance thereof, are in compliance in all material respects with the FCC Licenses and the rules and regulations of the FCC, and with all other applicable statutes, ordinances, rules and regulations of any Governmental Authority.

2.7. Real Property.

(a) *Schedule 1.1(c)* contains a description of all Real Property included in the Station Assets. Seller has good and marketable fee simple title to the owned Real Property described on *Schedule 1.1(c)* (the "Owned Real Property") free and clear of Liens or defects in title other than Permitted Liens. *Schedule 1.1(c)* includes a description of each lease of Real Property or similar agreement, as such may have been amended, included in the Station Contracts (the "Real Property Leases"). The Real Property Leases constitute valid and binding obligations of Seller, and, to the best of Seller's knowledge, of all other parties thereto, enforceable in accordance with their terms (except as limited by laws affecting creditors' rights or equitable principles generally), and are in full force and effect as of the date hereof. Seller is not in default under any of the Real Property Leases and, to the best of Seller's knowledge, the other parties to such agreements are not in default thereunder. To the best of Seller's knowledge, Seller has not received or given written notice of any default thereunder from or to any of the other parties thereto, and no event has occurred, and no condition exists which, with the passage of time or giving of notice, or both, would constitute such a default by Seller, or, to the best of Seller's knowledge, any other party, which has not been cured. To the best of Seller's knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority. The Owned Real Property and the Real Property Leases are the only real property now used by Seller in the operation of the Stations. Seller shall, within thirty (30) days of this Agreement, deliver to Buyer any copies of any pre-existing surveys, environmental

reports and title insurance commitments or policies with respect to the Owned Real Property and Real Property Leases that are in Seller's possession, if any.

(b) All of the Real Property and improvements thereon and the use thereof comply in all material respects with all applicable laws, statutes, ordinances, rules and regulations of Governmental Authorities, including those relating to zoning and the rules and regulations of the FCC. Seller has good and valid rights of ingress and egress to and from all of the Real Property from and to the public street systems for all usual street, road and utility purposes.

(c) Seller has not has received any notice of any appropriation, condemnation or like proceeding, or of any violation of any applicable zoning law, regulation or other law, order, regulation or requirement relating to or affecting such Real Property, or of the need for any material repair, remedy, construction, alteration or installation with respect to such Real Property, or any change in the means or methods of conducting operations thereon, nor, to the best of Seller's knowledge, has any other person or entity received any such notice.

(d) All towers, guy anchors and wires, buildings, fences and other improvements on the Real Property are located entirely within the boundary lines of such Real Property, and no structure of any kind encroaches on such Real Property in any manner that could adversely affect the use of such Real Property in the operations of the Stations.

2.8. Contracts. *Schedule 1.1(d)* contains a list of all contracts that are used in the operation of the Stations other than contracts that when combined with any Station Contracts executed after the date of this Agreement do not exceed the limitations set forth in Section 4.1 and agreements for the sale of advertising time entered into in the ordinary course of business. The Station Contracts requiring the consent of a third party to assignment are identified with an asterisk on *Schedule 1.1(c)* and *Schedule 1.1(d)*. 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. Environmental. Except as set forth on *Schedule 1.1(c)* or in any environmental report delivered by Seller to Buyer prior to the date of this Agreement, to Seller'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 Real Property included in the Station Assets. Except as set forth on *Schedule 1.1(c)* or in any environmental report delivered by Seller to Buyer prior to the date of this Agreement, to Seller's knowledge, Seller has complied in all material respects with all environmental, health and safety laws applicable to the Stations and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against Seller alleging any failure to comply. Without limiting the generality of the preceding sentence and to the best of Seller's knowledge, Seller has obtained and been in compliance with all of the terms and conditions of all permits, licenses, and other authorizations which are required under, and has complied with all other limitations, restrictions, conditions, standards, prohibitions,

requirements, obligations, schedules, and timetables which are contained in, all environmental, health, and safety laws.

2.10. 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)*, (i) to Seller's knowledge, Seller's use of the Intangible Property does not infringe upon any third party rights in any material respect, (ii) no material Intangible Property is the subject of any pending, or, to Seller's knowledge, threatened legal proceedings claiming infringement or unauthorized use, and (iii) Seller has not received any written notice that its use of any material Intangible Property is unauthorized or infringes upon the rights of any other person. Except as set forth on *Schedule 1.1(e)*, to Seller's knowledge, Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

2.11. Employees; Benefit Plans.

(a) Except as set forth on *Schedule 2.11*, (i) there is no unfair labor practice charge or complaint against Seller in respect of the Stations' business pending or, to Seller'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 Stations business, and (ii) Seller is not party to any collective bargaining, union or similar agreement with respect to the employees of Seller at the Station, and to Seller's knowledge, no union represents or claims to represent or is attempting to organize such employees. Hours worked by, and payments made to, employees of Seller at the Stations have been in compliance with the laws of all jurisdictions governing such employees, including with respect to employees in the United States, the Fair Labor Standards Act and other applicable federal, state, and local laws. All payments due from Seller on account of the Stations' employees' work, health or welfare insurance, under any agreement, whether oral or written, will have been paid as of the Closing Date or as soon thereafter as administratively feasible. There is no liability to Buyer to any employee of Seller at the Stations for any severance pay or payment if such employee's employment should terminate before the Closing Date.

(b) Copies of all pension, profit-sharing, savings, bonus, incentive or deferred compensation, severance pay, medical, life insurance, welfare or other employee benefit plan which affect the employees working at the Stations, have been provided to Buyer. As to any such plan, fund, policy, program, arrangement or understanding, all of the following are true: (i) all material amounts due as contributions, insurance premiums and benefits to the date hereof have been fully paid by Seller; (ii) all applicable material requirements of law have been observed with respect to the operation thereof, and all applicable reporting and disclosure requirements have been timely satisfied; and (iii) Seller is not aware of any claim or demand by any employee (or beneficiary or dependent of any employee) for benefits (other than routine claims for benefits), or by any taxing authority for taxes or penalties which has not been satisfied in full or which may be or become subject to litigation or arbitration.

(c) Seller has no obligation to provide health or other welfare benefits to former, retired or terminated employees, except as specifically required under Section 4980B of the Code.

2.12. Insurance. Seller maintains insurance policies or other arrangements with respect to the Stations and the Station Assets consistent with its practices for other stations, and will maintain such policies or arrangements until the Effective Time.

2.13. Compliance with Law. Except as set forth on *Schedule 2.13*, (i) Seller 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 Stations, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Stations, and (ii) to Seller's knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Stations except those affecting the industry generally.

2.14. Litigation. Except as set forth on *Schedule 2.14*, there is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Stations that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement. Seller is not operating under or subject to any order, writ, injunction or decree relating to the Stations or the Station Assets of any court or governmental authority which would have a material adverse effect on the condition of the Stations or any of the Station Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

2.15. Financial Statements. Seller has provided to Buyer copies of its statements of operations for the Stations for the years ended December 31, 2004 and December 31, 2005 and the calendar year to date through June 30, 2006, as well as the balance sheets for subsequent fiscal month end. Such year-end statements are the statements included in the audited consolidated financial statements of Seller 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 Stations and other stations and business units as determined by Seller. 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 are materially correct and complete and 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 Stations as operated by Seller for the respective periods covered thereby. The statements have been relied upon and are routinely used by Seller's executive officers in connection with the management of the business and operations of the Stations. None of the statements understates the costs and expenses of conducting the business and operations of the Stations, fails to disclose any material liability, or inflates the revenues of the Stations in any material manner.

### ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1. Organization. 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. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments

to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2. Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer 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 for the Governmental Consents, the execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of any of the transactions contemplated hereby does not conflict with any organizational documents of Buyer, any contract or agreement to which Buyer is a party or is by which it is bound, or any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party.

3.4. Litigation. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5. Qualification. Subject to Section 1.11 and the satisfaction of the Divestiture Condition, (i) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act and the rules, regulations and policies of the FCC, (ii) there are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations, (iii) no waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained, and (iv) there are no matters which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

#### ARTICLE 4: SELLER COVENANTS

4.1. Seller's Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall:

(a) operate the Stations in the ordinary course of business 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) not other than as provided in Section 1.10(d) or in the ordinary course of business, sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value and utility, and not dissolve, liquidate, merge or consolidate with any other entity;

(d) maintain the Tangible Personal Property in the ordinary course of business;

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

(f) except in the ordinary course of business 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 Buyer after Closing or (ii) increase the compensation payable to any employee of the Stations, except for bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by this Agreement (if any); and

(g) not enter into new Station Contracts that will be binding upon Buyer after Closing or amend any existing Station Contracts, except for (A) new time sales agreements and other Station Contracts made in the ordinary course of business that are terminable on ninety days notice or less without penalty, (B) other Station Contracts made with Buyer's prior consent, and (C) other Station Contracts that do not require post-Closing payments by Buyer of more than \$25,000 per Station (in the aggregate for all such new contracts).

For purposes of calculating the amount of said post-Closing payments by Buyer, if 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

Buyer and Seller hereby covenant and agree as follows:

5.1. Confidentiality. 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 provided by Seller to Buyer) 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 to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except that the parties shall cooperate to make a mutually agreeable announcement.



5.3. Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4. Risk of Loss.

(a) Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until the Effective Time, and Buyer shall bear the risk of any such loss or damage thereafter.

(b) If prior to the Effective Time any item of Tangible Personal Property is damaged or destroyed or otherwise not in the condition described in Section 2.6 in any material respect, then:

(i) Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business; and

(ii) if such repair or replacement is not completed prior to Closing, then the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall promptly repair or replace such item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation), except that if such damage or destruction materially disrupts Station operations, then Buyer 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 Station is off the air or operating at a power level that results in a material reduction in coverage (a "Broadcast Interruption"), then Seller shall use commercially reasonable efforts to return the Station to the air and restore prior coverage as promptly as possible in the ordinary course of business. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption in excess of 24 hours, then Buyer 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 or ground leased Real Property site for which Seller has not delivered to Buyer a 2006 Phase I environmental assessment, Buyer may at its option and expense conduct such an assessment (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(c)* or any environmental report provided by Seller to Buyer prior to the date of this Agreement identifies a condition requiring remediation under, applicable environmental law, then:

(i) except as set forth below, Seller shall use commercially reasonable efforts to remediate such condition in all material respects in the ordinary course of business; and

(ii) if such remediation is not completed prior to Closing, then the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall remediate such item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller 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 exceeds \$100,000, then either Seller or Buyer shall have the right to terminate this Agreement without breach, and shall exercise such right if at all upon written notice to the other party, and Buyer shall receive a return of the Deposit.

#### 5.6. Consents.

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party), and (ii) execution of reasonable estoppel certificates by lessors under any Real Property Leases requiring consent to assignment (if any), but no such consents or estoppel certificates are conditions to Closing except for the Required Consents. Receipt of consent to assign to Buyer the Stations' main tower leases designated with a diamond on *Schedule 1.1(c)* (if any) is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

(b) To the extent that any 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 of such Station Contract; provided, however, with respect to each such Station Contract, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Station Contract from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller's obligations arising under the Station Contract from and after Closing in accordance with its terms.

#### 5.7. Employees.

(a) Seller has provided Buyer a list showing employee positions and basic compensation for employees of the Stations. Except as set forth on *Schedule 1.1(d)*, Buyer may, but is not obligated to, offer post-Closing employment to such employees. With respect to each such employee, Buyer shall notify Seller in writing whether or not it is hiring such employee upon Closing. Such notice shall be given at least ten (10) business days prior to Closing to enable Seller to give appropriate notices to employees without need to pay severance.

(b) With respect to employees of the Stations hired by Buyer ("Transferred Employees"), Seller shall be responsible for all compensation and benefits arising prior to the Effective Time (in accordance with Seller's employment terms), and Buyer shall be responsible

for all compensation and benefits arising after the Effective Time (in accordance with Buyer's employment terms). Notwithstanding anything herein to the contrary, Buyer shall grant credit to each Transferred Employee for all unused vacation and sick leave accrued as of the Effective Time as an employee of Seller, and Buyer shall assume and discharge Seller's obligation to provide such leave to such employees (such obligations being a part of the Assumed Obligations).

(c) Buyer 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 immediately upon Closing (and without exclusion from coverage on account of any pre-existing condition), with service with Seller deemed service with Buyer 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 Seller.

(d) Buyer shall also permit each Transferred Employee who participates in Seller's 401(k) plan to elect to make direct rollovers of their account balances into Buyer's 401(k) plan as soon as administratively feasible after Closing, including the direct rollover of any outstanding loan balances such that they will continue to make payments under the terms of such loans under Buyer's 401(k) plan, subject to compliance with applicable law and subject to the reasonable requirements of Buyer's 401(k) plan.

5.8. Accounts Receivable. For a period of ninety (90) days after Closing (the "Collection Period"), Buyer shall, without charge to Seller, use commercially reasonable efforts to collect the A/R in the ordinary course of business and shall apply all amounts collected from the Stations' account debtors to the oldest account first, unless the advertiser disputes in good faith in writing an older account and designates the payment to a newer account. Any amounts relating to the A/R that are paid directly to Seller shall be retained by Seller. Buyer shall not discount, adjust or otherwise compromise any A/R and Buyer shall refer any disputed A/R to Seller. Within ten calendar days after the end of each month, Buyer shall deliver to Seller a report showing A/R collections for the prior month and Buyer shall make a payment, without offset, to Seller equal to the amount of all such collections. At the end of the Collection Period, any remaining A/R shall be returned to Seller for collection and Buyer shall have no further responsibility or obligation for such accounts.

5.9. 1031 Exchange. Subject to Section 1.11(c), to facilitate a like-kind exchange under Section 1031 of the Code and provided that there is no delay in FCC Consent which prevents Closing from occurring prior to the Outside Date or additional cost to Seller as a result, Buyer may assign its rights under this Agreement (in whole or in part) to a "qualified intermediary" or to an exchange accommodation titleholder under section 1.1031(k)-1(g)(4) of the treasury regulations and Rev. Proc. 2000-37, respectively, (but such assignment shall not relieve Buyer of its obligations under this Agreement) and any such qualified intermediary or EAT may re-assign to Buyer. Subject to Section 1.11(c), if Buyer gives notice of such assignment, Seller shall provide Buyer 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) to or on behalf of the qualified intermediary at Closing and otherwise

reasonably cooperate therewith at no cost to Seller. The parties shall reasonably cooperate in any filings required by the FCC with respect to such assignment, and the cost of any FCC fees and charges relating to such 1031 assignment shall be borne by Buyer.

5.10. Suppliers/Customers. Seller shall use reasonable efforts between the date of this Agreement and the Closing Date to maintain good relations with the suppliers and customers of the Stations.

5.11 Survey; Title Search.

(a) With respect to each parcel of Real Property, Buyer shall be entitled to obtain at Buyer's expense within forty five (45) days of the date of this Agreement a title search and a current ATLA/ACSM land title survey of such Real Property certified to the Buyer, prepared by a licensed surveyor and conforming to current ALTA/ACSM Minimum Detail Requirements for Land Title Surveys, including Table A items 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 14, 15, 16, and any significant observations not otherwise disclosed, and disclosing the location of all improvements, easements, party walls, sidewalks, roadways, utility lines, and other matters shown customarily on such surveys, and showing access affirmatively to public streets and roads (the "Survey"). Seller will provide Buyer access and any other reasonable assistance requested by Buyer with respect to such Survey.

(b) If the Survey discloses any survey defect or encroachment from or onto such Real Property, then:

(i) except as set forth below, Seller shall use commercially reasonable efforts to remediate such condition in all material respects in the ordinary course of business; and

(ii) if such remediation is not completed prior to Closing, then the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall remediate such item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller 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 exceeds \$100,000, then either Seller or Buyer shall have the right to terminate this Agreement without breach, and shall exercise such right if at all upon written notice to the other party, and Buyer shall receive a return of the Deposit.

5.12 Actions. After Closing, Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to the Stations, whether or not any party has notified the other of a claim for indemnification with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller may reasonably request.

#### ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller 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 Seller):

6.1. Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement, shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

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

6.2. Proceedings. Neither Seller nor Buyer 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 applicable, the HSR Clearance shall have been obtained.

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

6.6. Divestiture. The Divestiture Condition shall have been satisfied.

#### ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer 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 Buyer):

7.1. Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

(c) Buyer 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 Sections 7.1(a) and (b) have been satisfied.

7.2. Proceedings. Neither Seller nor Buyer 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 applicable, the HSR Clearance shall have been obtained.

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

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

7.7. UCC Searches. Buyer, at its option, may obtain Uniform Commercial Code financing statement searches dated not earlier than ten (10) days prior to the Closing Date from each state and county in which Seller owns or leases any property, showing, no security interests, pledges, liens, claims or encumbrances in or affecting any part of the Station Assets, other than: (i) those which Seller causes to be released prior to or concurrently with the Closing Date; (ii) those for which Seller has assumed responsibility; (iii) Permitted Liens; or (iv) those which Buyer finds acceptable. The cost of said searches shall be paid by Buyer.

7.8. Tax Lien Searches. Buyer, at its option, may obtain certified searches dated no earlier than ten (10) days prior to the Closing Date of the tax records of each taxing authority to which Seller pays taxes or files tax or information returns showing no tax liens have been filed against any of the Station Assets, except for Permitted Liens. Said searches shall be satisfactory to Buyer's local counsel. The cost of said searches shall be paid by Buyer.

7.9 Real Property Title Searches/Deeds. No later than forty-five (45) days after delivery of the Real Property surveys described in Section 5.11, Buyer (if it elects and at its sole expense) shall have received a title insurance commitment, showing unencumbered and marketable title in Seller for each parcel of real property to be conveyed to Buyer, except Permitted Liens and except for and identifying any reservations, restrictions and easements of record. Buyer shall notify Seller promptly of Buyer's approval of title, or of any defects in or matters of said title which make it unmarketable or unacceptable, and Seller, as owner, shall have a reasonable time in which to correct such defects in accordance with the procedure set forth in Section 5.11. Conveyance of title shall be by special warranty deed and the proposed deeds shall

be delivered to Buyer in sufficient time prior to Closing to allow for review by Buyer's local counsel.

7.10. Divestiture. The Divestiture Condition shall have been satisfied.

#### ARTICLE 8: CLOSING DELIVERIES

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

- (i) good standing certificates issued by the Secretary of State of Seller's jurisdiction of formation;
- (ii) a certificate executed by Seller's secretary or assistant secretary evidencing authorization by the Seller'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 FCC Licenses from Seller to Buyer;
- (v) an assignment and assumption of contracts assigning the Station Contracts from Seller to Buyer;
- (vi) an assignment and assumption of leases assigning the Real Property Leases (if any) from Seller to Buyer, and Seller shall have requested (but receipt of the estoppel certificate is not a condition to Closing) estoppel certificates in a form reasonably acceptable to Buyer evidencing (a) Seller's material compliance with all material terms of such Real Property Leases, including the timely payment of rent, and (c) the existence of no known default by Seller under such Real Property Leases;
- (vii) special warranty deeds conveying the Owned Real Property (if any) from Seller to Buyer;
- (viii) an assignment of marks assigning the Stations' registered marks listed on *Schedule 1.1(e)* (if any) from Seller to Buyer;
- (ix) domain name transfers assigning the Stations' domain names listed on *Schedule 1.1(e)* (if any) from Seller to Buyer following customary procedures of the domain name administrator;
- (x) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) from Seller to Buyer;
- (xi) a bill of sale conveying the other Station Assets from Seller to Buyer;

(xii) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens; and

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

- (i) the Purchase Price in accordance with Section 1.5 hereof;
- (ii) good standing certificates issued by the Secretary of State of Buyer's jurisdiction of formation;
- (iii) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (iv) the certificate described in Section 6.1(c);
- (v) an assignment and assumption of contracts assuming the Station Contracts;
- (vi) an assignment and assumption of leases assuming the Real Property Leases (if any);
- (vii) domain name transfers assuming the Stations' domain names listed on *Schedule 1.1(e)* (if any) following customary procedures of the domain name administrator;
- (viii) any new license agreements required by Section 1.2 and any new Arbitron agreements required by Section 1.3(c); and
- (ix) such other documents and instruments of assumption that 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 twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except (i) those under Sections 2.5 (Taxes) and 2.9 (Environmental) which shall survive until the expiration of any applicable statute of limitations, and (ii) that if within such twelve (12) month 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 earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

#### 9.2. Indemnification.

(a) Subject to Section 9.2(b), from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages,



liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

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

(ii) any default by Seller of any covenant or agreement made under this Agreement; or

(iii) the Retained Obligations; or

(iv) the business or operation of the Stations before the Effective Time, except for the Assumed Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under clause (i) of Section 9.2(a) until Buyer's aggregate Damages exceed an amount equal to \$25,000, and (ii) the maximum aggregate liability of Seller under Section 9.2(a) shall be an amount equal to the Purchase Price.

(c) From and after Closing, Buyer 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 by Buyer of its representations and warranties made under this Agreement; or

(ii) any default by Buyer of any covenant or agreement made under this Agreement; or

(iii) the Assumed Obligations; or

(iv) the business or operation of the Stations after the Effective Time.

Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Buyer shall have no liability to Seller under Section 9.2 until Seller's aggregate Damages exceed an amount equal to \$25,000, and (ii) the maximum aggregate liability of Buyer under Section 9.2 shall be an amount equal to the Purchase Price.

### 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 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 the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party

does not undertake such defense or opposition in a timely manner, 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 (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) 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 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.

#### 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 Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller 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 Seller to Buyer if Buyer 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; provided, however, that the Cure Period shall not apply to Buyer's obligations to make the Deposit on the date hereof, to timely make any payment it may elect under Section 1.12 and to pay the Purchase Price at Closing;

(d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by the Outside Date; or

(e) as provided by Section 5.5(c), 5.11 and 7.9.

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 Buyer or Seller 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 1.9; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under Section 1.9, 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 1.9.

10.3. Survival. Except as provided by Section 10.5, 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 1.6 (Deposit) (and Section 10.5 with respect to the Deposit), 5.1 (Confidentiality) and 11.1 (Expenses) 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.

10.5. Liquidated Damages. If Seller terminates this Agreement pursuant to Sections 10.1(c) or 1.11(c), then Buyer shall pay Seller on demand an amount equal to the Deposit by wire transfer from the Escrow Agent of immediately available funds (without duplication of any disbursement under Section 1.6), and such payment shall constitute liquidated damages and the sole remedy of Seller under this Agreement (in addition to retention by Seller of all payments under Section 1.12). Buyer acknowledges and agrees that Seller's recovery of such amount shall constitute payment of liquidated damages and not a penalty and that Seller's liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

#### 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 shall be paid by the party upon whom the applicable governmental authority imposes the fee or charge (or shall be shared equally if not imposed upon either party); notwithstanding the foregoing, HSR Clearance fees and charges (if applicable) shall be paid solely by Seller, and FCC Consent fees and charges shall be split equally between Buyer and Seller. Buyer shall be solely responsible for all governmental taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement. 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. Except as provided by Sections 1.10(d) and 5.9, neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however, that Buyer may assign its rights hereunder to an affiliate of Buyer upon written notice to, but without consent of, Seller, provided that (i) any such assignment does not delay processing of the FCC Application, grant of the FCC Consent or Closing, (ii) any such assignee delivers to Seller a written assumption of this Agreement, and (iii) Buyer shall remain liable for all of its obligations hereunder. 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 Seller:

Clear Channel Broadcasting, Inc.  
200 E. Basse Road  
San Antonio, TX 78209  
Attention: Jerry Kersting  
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 & Fielding LLP  
1776 K Street, N.W.  
Washington, D.C. 20006  
Attention: Doc Bodensteiner  
Facsimile: (202) 719-7049

if to Buyer:

Three Eagles Communications  
4687 Triple Eagle Trail  
Larkspur, CO 80118  
Attention: Rolland C. Johnson, Chairman and CEO  
Facsimile: (719) 481-8793

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

Wachovia Capital Partners 2002, LLC  
Attn: Walker Simmons  
301 South College Street, 12<sup>th</sup> Floor  
Charlotte, NC 28288-0732

and to:

Sparks Willson Borges Brandt & Johnson, P.C.  
24 South Weber Street, Suite 400  
Colorado Springs, CO 80903  
Attention: David Steigerwald  
Telephone: (719) 475-0097  
Facsimile: (719) 633-8477

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 with respect to the Stations, 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, Seller makes no representation or warranty to Buyer with respect to any projections, budgets or other estimates of the Stations' revenues, expenses or results of operations, or, except as expressly set forth in Article 2, any other financial or other information made available to Buyer with respect to the Stations.

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 Nebraska 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.

[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.

BUYER:

THREE EAGLES OF LINCOLN, INC.

By: 

Name: Rolland C. Johnson  
Title: CEO

SELLER:

CAPSTAR RADIO OPERATING COMPANY

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

Name:  
Title:

CAPSTAR TX LIMITED PARTNERSHIP

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

Name:  
Title:

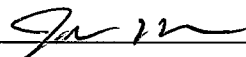
SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: THREE EAGLES OF LINCOLN, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SELLER: CAPSTAR RADIO OPERATING COMPANY

By:  \_\_\_\_\_  
Name: **John T. Tippit**  
Title: **SVP - Strategic Development**

CAPSTAR TX LIMITED PARTNERSHIP

By:  \_\_\_\_\_  
Name: **John T. Tippit**  
Title: **SVP - Strategic Development**

**EXHIBIT A  
TO  
ASSET PURCHASE AGREEMENT**

**Non-Competition Agreement**



## NON-COMPETITION AGREEMENT

THIS NON-COMPETITION AGREEMENT is made as of \_\_\_\_\_, 2007, by and among THREE EAGLES OF LINCOLN, INC., a Delaware corporation ("*Buyer*"), and CAPSTAR RADIO OPERATING COMPANY, a Delaware corporation, and CAPSTAR TX LIMITED PARTNERSHIP, a Delaware limited partnership on behalf of themselves, their subsidiaries and affiliated entities under common control (collectively, the "*Seller*").

### RECITALS

WHEREAS, Buyer and Seller have entered into an Asset Purchase Agreement dated as of December \_\_\_, 2006 (the "*Purchase Agreement*"), pursuant to which Buyer agreed to purchase from Seller substantially all of the assets (the "*Assets*") that are used or useful in the business or operations of radio stations KIBZ-FM, Crete, Nebraska, KLMY-FM, Lincoln, Nebraska, KTGL-FM, Beatrice, Nebraska, and KZKX-FM, Seward, Nebraska (collectively, the "*Stations*"); and

WHEREAS, the agreement of Seller and Buyer to deliver this Non-Competition Agreement was a material inducement to Buyer in entering into the Purchase Agreement, and the delivery of this Non-Competition Agreement by Seller and Buyer was a condition to Buyer's obligation to purchase the Assets; and

WHEREAS, Buyer, as the owner of the Stations, desires to preclude Seller from competing against it during the term of this Agreement.

### AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and the covenants and agreements set forth in this Agreement, the parties agree as follows:

#### **SECTION 1. COVENANT:**

1.1 Seller covenants and agrees that Seller will not at any time within the 18-month period immediately following the date hereof, own or operate a terrestrial radio station that is licensed to a community in the area within the primary service contours (the 1.0 mV/m contour) of the Stations (the "*Market*"), except any station hereafter acquired by Seller in a transaction that includes one or more stations not licensed to a community in the Market; Notwithstanding the foregoing, this Agreement shall not prohibit Seller from owning or operating any radio station in any other market, some of which may overlap with the Market. In addition, nothing set forth herein restricts Seller from any other activity within the Market or elsewhere, including without limitation ad sales agency services, programming services, operating systems and services, television broadcasting, outdoor advertising, satellite radio, Internet media and any other media, all of which may compete within the Market and elsewhere. This Agreement does not restrict ownership of any interest that does not constitute an attributable interest under FCC rules.

1.2 Subject to the limitations set forth in Sections 1.1 and 3.2, for a period of eighteen months from the date hereof, while employed by Buyer, Seller shall not hire or solicit for hire, as an employee of another station in the Market, any Station employee who was employed by Seller, except that Seller may make general solicitations of employment.

**SECTION 2. COMPENSATION:** As compensation for the covenant of Seller not to compete with Buyer, Buyer has paid to Seller \_\_\_\_\_ in consideration paid for the Stations.

**SECTION 3. ENFORCEABILITY; REMEDIES:**

3.1 Specific Performance. Seller agrees that if Seller, or any other person identified in Section 1, engages or threatens to engage in any activity that constitutes a violation of the provisions of this Agreement, Buyer shall have the right and remedy to have the provisions of this Agreement specifically enforced to the extent permitted by law by any court have jurisdiction, it being acknowledged and agreed that any breach of this Agreement would cause immediate irreparable injury to Buyer and that money damages would not provide an adequate remedy at law for any breach. Such right and remedy shall be in addition to, and not in lieu of, any other rights and remedies available to Buyer at law or in equity. The parties acknowledge that violation of the provisions of this Agreement may cause damages to Buyer in excess of the amount set forth above in Section 2.

3.2 Reformation. Each restriction or covenant contained in Section 1.1 is severable. If any of the provisions or covenants contained in this Agreement are held to be unenforceable in any jurisdiction because of the duration, scope, or geographical extent thereof, the court making such determination shall have the power to reduce the duration and/or scope of the provision or covenant, and the provision or covenant in its reduced form shall be enforceable; provided, however, that the determination of such court shall not affect the enforceability of this Agreement in any other jurisdiction.

**SECTION 4. MISCELLANEOUS:**

4.1 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be deemed to have been given (a) on the date of personal delivery or the date set forth in the records of a delivery service, (b) on receipt if personally delivered or sent by facsimile or other electronic means, (c) or five (5) business days after mailing if mailed, postage prepaid, certified or registered, return receipt requested, to the parties as follows, or at such other addresses as they may indicate by written notice given as herein provided:

(a) If to Buyer, to:

Three Eagles of Lincoln, Inc.  
c/o Three Eagles Communications, Inc.  
Attn: Rolland Johnson

4687 Triple Eagle Trail  
Larkspur, CO 80118  
Facsimile: 719-481-8793

(with copies to)

Wachovia Capital Partners 2002, LLC  
Attn: Walker Simmons  
301 South College Street, 12<sup>th</sup> Floor  
Charlotte, NC 28288-0732

Sparks Willson Borges Brandt & Johnson, P.C.  
24 South Weber Street, Suite 400  
Colorado Springs, CO 80903  
Attention: David Steigerwald  
Facsimile: 719-633-8477

(b) If to Seller to:

Clear Channel Broadcasting, Inc.  
200 E. Basse Road  
San Antonio, TX 78209  
Attention: Jerry Kersting  
Facsimile: (210) 822-2299

with a copy to:

Legal Department  
200 E. Basse Road  
San Antonio, TX 78209  
Attention: Christopher M. Cain, Esq.  
Facsimile: (210) 832-3433

and to:

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

4.2 Benefit and Assignment. Seller acknowledges that Buyer may assign this Agreement and the Purchase Agreement to an agent or related corporation in existence or to be formed by Buyer. Seller consents to the assignment by Buyer of Buyer's rights and obligations

under this Agreement to said related corporation. Seller and Buyer may not otherwise assign this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

4.3 Further Assurances. The parties shall execute any other documents that may be necessary and desirable to the implementation and consummation of this Agreement.

4.4 Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Nebraska without regard to the choice of law provisions hereof.

4.5 Headings. The headings herein are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

4.6 Amendments. This Agreement cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and which is signed by the party against which enforcement of any such amendment, supplement, or modification is sought.

4.7 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

*[Rest of page intentionally left blank – signature page follows.]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Non-Competition Agreement as of the day and year first set forth above.

**“BUYER”**

THREE EAGLES OF LINCOLN, INC.

By: \_\_\_\_\_  
Name: Rolland C. Johnson  
Title: Chief Executive Officer

**“SELLER”**

CAPSTAR RADIO OPERATING COMPANY

By: \_\_\_\_\_  
Name:  
Title:

CAPSTAR TX LIMITED PARTNERSHIP

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT B  
TO  
ASSET PURCHASE AGREEMENT**

**Proposed Tower Lease**

NONE

Following are the Schedules to the Asset Purchase Agreement (the "Agreement") among Capstar Radio Operating Company and Capstar TX Limited Partnership (collectively, "Seller") and Three Eagles of Lincoln, Inc. ("Buyer") with respect to the following Stations:

KIBZ(FM), Crete, NE  
KLMY(FM), Lincoln, NE  
KTGL(FM), Beatrice, NE  
KZKX(FM), Seward, NE

Capitalized terms used herein have the meanings set forth in the Agreement. A disclosure on any of the attached Schedules is a disclosure for all purposes. Except as set forth herein, all disclosures are made as of the date of the Agreement. The fact that any item or information is contained in these Schedules shall not be construed to mean that such item or information is required to be disclosed in or by the Agreement or that such item or information is material (as such term is used in the Agreement). These Schedules qualify all representations, warranties and covenants set forth in the Agreement.

**Schedule 1.1(a)**  
**FCC Licenses**

Station: KLMY(FM), 106.3 MHz, Lincoln, Nebraska (Facility ID #57287)

Licensee: Capstar TX Limited Partnership

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
KLMY(FM)	Main	6/1/2013
WLJ718	STL	6/1/2013

ASR: 1219481      Owner: Warner LLC

Station: KZKX(FM), 96.9 MHz, Seward, Nebraska (Facility ID #53143)

Licensee: Capstar TX Limited Partnership

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
KZKX(FM)	Main	6/1/2013
WBX264	STL	6/1/2013
WGZ678	STL	6/1/2013

Station: KTGL(FM), 92.9 MHz, Beatrice, Nebraska (Facility ID #53141)

Licensee: Capstar TX Limited Partnership

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
KTGL(FM)	Main	6/1/2013
KPH986	Remote pickup	6/1/2013
WL1277	STL	6/1/2013



Station: KIBZ(FM), 104.1 MHz, Crete, Nebraska (Facility ID #640)

Licensee: Capstar TX Limited Partnership

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
KIBZ(FM)	Main	6/1/2013
BPH-20040105AAP	CP for minor change	8/1/2008
WPNF771	STL	6/1/2013

ASR: 1209206

Owner: Spectrasite Communications, Inc. through American  
Towers, Inc.

The New York State Attorney General has issued subpoenas to Seller and certain other radio companies requesting information on policies and practices regarding record promotion, has filed a lawsuit against at least one company alleging "payola" violations, and has entered into settlement agreements with major record labels that reference certain radio stations. Upon review of that information, the FCC initiated an investigation into compliance with the FCC's sponsorship identification rule. The FCC sent letters of inquiry to Seller and other radio companies on that subject. Seller is cooperating with both investigations.

**Schedule 2.3**  
**Other Seller Conflicts**

None.

**Schedule 2.11**  
**Employment Matters**

None.

**Schedule 2.13**  
**Compliance with Law**

None.

**Schedule 2.14**  
**Litigation**

See *Schedule 1.1(a)*. Any liability arising from the investigation identified in Schedule 1.1(a) shall be a Retained Obligation.