

ASSET PURCHASE AGREEMENT

BLUEWATER BROADCASTING COMPANY, LLC
6300 NE 1st Avenue, Suite 202
Fort Lauderdale, Florida 33334
(954) 434-5275

February 23, 2004

Mr. William J. Brennan, Jr., President
Deep South Broadcasting Company
Post Office Box 11411
Montgomery, AL 36111-0411

Re: Letter Agreement for the Sale and Purchase of
Station WBAM-FM, Montgomery, Alabama

Dear Mr. Brennan:

This letter agreement (the "Agreement") contains the terms and conditions upon which BLUEWATER BROADCASTING COMPANY, LLC, a Florida limited liability company ("Buyer"), is willing to acquire the assets of radio station WBAM-FM, Montgomery, Alabama (the "Station"), from DEEP SOUTH BROADCASTING COMPANY, an Alabama corporation ("Deep South") and SEVEN LEASING, L.L.C., an Alabama limited liability company ("Seven Leasing" and together with Deep South, the "Seller").

1. Assets. On the Closing Date (as hereinafter defined), Buyer will purchase from Seller all the assets, properties, interests and rights of Seller, real and personal, tangible and intangible, owned or leased by Seller and used or held for use in the operation of the Station, but with exclusions hereinafter noted. The purchased assets (the "Assets") include all the following: (a) licenses, permits and authorizations of the Federal Communications Commission ("FCC") listed in Exhibit A hereto; (b) all main transmitter site leasehold interests, towers, and all the broadcast equipment owned by Seller listed in Exhibit B hereto; (c) Seller's documents, files, books and records pertaining to operation of the Station, including the local public file; (d) the right to use the call letters of the Station; (e) all contracts and agreements listed in Exhibit C hereto (the "Assumed Contracts"); and (f) goodwill related to the Station. They exclude cash or cash equivalents and accounts receivable of Seller, contracts or agreements to which Seller is a party (other than any Assumed Contracts), tangible and intangible personal property disposed of or consumed in the ordinary course of business, employee benefit plans, assets other than the transmitter that are located at the auxiliary transmitter site Station, the FCC license for that auxiliary facility (License No. BXMLH-20021003ABT, granted January 27, 2003) and Seller's partnership interest under the Joint Venture Partnership Agreement for Montgomery Tower Partners (with such partnership interest to be assumed by a commonly-owned affiliate of Buyer ("Affiliate"), pursuant to a

certain Agreement of Assignment and Assumption of Joint Venture Partnership Interest by and between Seller and Buyer's Affiliate), collectively the "Excluded Assets". The Assets conveyed will also exclude equipment replaced in the normal course of business with other equipment of roughly equivalent value and quality, but will include all replacements and additions between the date of this Agreement and the date on which the transfers of Assets contemplated hereby are consummated (the "Closing Date"). Seller agrees that it shall convey the Assets to Buyer free and clear of all liens, encumbrances and debts of any kind except to the extent expressly assumed by Buyer. Any liens existing at Closing may be removed by assignment of sufficient of Seller's proceeds from Closing, provided that Seller provides Buyer with appropriate pay-off letters and UCC termination statements.

2. Purchase Price. Subject to the adjustments set forth in Section 3, the total purchase price for the Assets (the "Purchase Price") shall be Seven Million and 00/100 Dollars (\$7,000,000.00) payable by Buyer to Seller or its assigns, as follows:

(a) At Closing, Buyer shall pay Seller One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) by bank certified or cashier's check or wire transfer funds upon the closing also of the assignment to Buyer of the licenses of radio stations WQKS-FM and WACV (AM), Montgomery, Alabama, and WJWZ (FM), Wetumpka, Alabama, by Montgomery Broadcast Properties, Ltd., an Alabama limited partnership ("MBP");

(b) At Closing, Buyer shall furnish Seller with a fully-executed Senior Secured Promissory Note in the principal amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00), in the form of Exhibit D to this Agreement. Payment of the Senior Note shall be secured by the following fully-executed financing documents, furnished at Closing: (1) a Senior Security Agreement encumbering all the assets of Buyer, in the form of Exhibit E to this Agreement; (2) a Senior Collateral Assignment and Pledge of Membership Interests encumbering all ownership shares in Buyer of its members, in the form of Exhibit F to this Agreement; and (3) mortgages on all Buyer's real estate and leasehold interests in real estate that are material to the operation of the Station or the MBP Stations (defined in Section 9(g) and collectively with Seller's Station hereinafter referred to as the "Stations"), in forms furnished by Seller that are recordable in the land records of the counties in which the real estate is located; and

(c) At Closing, Buyer shall also furnish Seller with a fully-executed Subordinated Secured Promissory Note in the principal amount of Five Million and 00/100 Dollars (\$5,000,000.00), in the form of Exhibit G to this Agreement. Payment of the Subordinated Note shall be secured by the following fully-executed financing documents, furnished at

Closing: (1) a Subordinated Security Agreement encumbering all the assets of Buyer, in the form of Exhibit H to this Agreement; (2) a Subordinated Collateral Assignment and Pledge of Membership Interests encumbering all ownership shares in Buyer of its members, in the form of Exhibit I to this Agreement; (3) a Letter Agreement from Buyer's principal funding source, in a form previously provided to Seller by Buyer, and (4) mortgages on Buyer's real estate and leasehold interests in real estate that are material to the operation of the Stations, in forms furnished by Seller that are recordable in the land records of the counties in which the real estate is located.

3. Adjustments and Prorations. Except as provided in and subject to adjustments and prorations under the terms of the LMA (as hereinafter defined):

(a) All revenues of Seller arising from the operation of the Station, earned or accrued up until 11:59 p.m. on the day prior to the Closing Date, and all operating expenses paid or payable by Seller arising therefrom incurred, accrued or payable up until such time, including operating expenses arising under the Assumed Contracts, tower rentals, business and license fees, utility charges, real and personal property taxes levied against the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges, other taxes, wages, salaries, vacation, and sick and employee compensation pay shall be prorated between Buyer and Seller in accordance with the principle that (i) Seller shall receive all revenues, refunds and deposits of Seller held by third parties, and shall be responsible for all its operating expenses incurred, payable or allocable to the conduct of the business and operations of the Station for the period ending at 11:59 p.m. on the day prior to the Closing Date, except as reimbursable to Seller from Buyer under the terms of the LMA, and (ii) Buyer shall receive all revenues earned or accrued and shall be responsible for all operating expenses incurred, payable or allocable to the conduct of the business and operations of the Station for the period commencing on and continuing after the Closing Date. An adjustment of the Purchase Price and proration shall be made in favor of Buyer to the extent that Buyer assumes any liability under any Assumed Contract to refund (or to credit against payments otherwise due) any security deposit or similar prepayment paid to Seller by any lessee or other third party and that is not otherwise credited to Buyer. Subject to Buyer's receipt of appropriate estoppel certificates, an adjustment and proration shall be made in favor of Seller to the extent that Seller has made (A) any security deposit under the Assumed Contract, whether or not there is a proration under such Assumed Contract, or (B) any other prepayment under the Assumed Contract for which there is a proration. Subject to reimbursement obligations of the Buyer under the terms of the LMA, Seller shall be liable for all the costs of compensation to Seller's employees relating to the Station properly attributable to or accruable on account of service with the Seller through 11:59 p.m. on the date prior to the Closing Date, including (1) all taxes

and related contributions, vacations, sick pay and severance pay due Seller's employees in connection with the Closing and (2) all group medical, dental or death benefits for expenses incurred, related to or arising from events occurring on or prior to 11:59 p.m. on the date prior to the Closing Date, or death or disability occurring on or prior to 11:59 p.m. on the date prior to the Closing Date, whether reported by the Closing Date or thereafter. Subject to applicable terms of the LMA, Buyer will be liable for all of the costs of Seller's employee compensation (including the types of costs referred to in clauses (1) and (2) above) relating to the Station, properly attributable or accruable thereafter on account of service with Buyer. While Seller has no present trade or barter accounts, if there should be any Negative Trade Balance (hereinafter defined) at Closing, then the amount of such Negative Trade Balance shall be charged to Seller, dollar for dollar.

(b) Adjustments or prorations pursuant to this Section 3 will, insofar as feasible, be determined and paid on the Closing Date based upon Seller's good faith calculation delivered to Buyer three days prior to the Closing Date and reasonably approved by Buyer, with final settlement and payment by the appropriate party occurring no later than 60 days after the Closing Date. Within 50 days after the Closing Date, Buyer shall submit to Seller its good faith determination and calculation of the adjustments or prorations required by this Section 3. Buyer's determination of the amount of adjustment under this Section 3 shall be made in accordance with generally accepted accounting principles, consistently applied. If Seller disagrees with the determination made by Buyer of the adjustment, Seller shall give prompt written notice thereof, but in no event later than 20 days after notice of Buyer's determination, specifying in reasonable detail the nature and extent of the disagreement, and Buyer and Seller shall have a period of 30 days in which to resolve the disagreement. If the parties are unable to resolve the disagreement within the 30-day period, the matter shall be submitted to Ernst & Young, L.L.P., an independent certified public accounting firm, or another CPA firm agreed to by Seller and Buyer, which accounting firm shall be directed to submit a final resolution within 30 days. The accounting firm's determination shall be binding on Buyer and Seller. Each party shall bear the fees and expenses of its own representatives, including its independent accountants, if any, and shall share equally the fees and expenses of the CPA firm to which the disagreement is submitted for resolution. Within five business days following a final resolution hereunder, the party obligated to make payment will make the payments determined to be due and owing in accordance with this Section 3.

4. Assumption of Liabilities and Obligations.

(a) Subject to the provisions of Section 7, as of the Closing Date Buyer shall assume and undertake to pay, discharge and perform all the obligations and liabilities of Seller relating

to the Station under the Assumed Contracts (as identified in Exhibit C hereto) relating to the time period beginning on or arising out of events occurring on or after the Closing Date. Subject to the terms of the LMA, all other obligations and liabilities of Seller, including (a) obligations or liabilities under any contract not included in the Assumed Contracts, (b) obligations or liabilities under any Assumed Contract for which a consent to assignment, if required, has not been obtained as of the Closing Date, (c) any obligations and liabilities arising under Assumed Contracts that relate to the time period prior to the Closing Date and (d) any forfeiture, claim or pending litigation or proceeding relating to the business or operations of the Station prior to the Closing Date, shall remain and be the obligation and liability solely of Seller. Other than as specified in the first sentence of this Section 4(a), Buyer, directly or indirectly, shall assume no liabilities or obligations of Seller and shall not be liable therefor.

(b) On the Closing Date, Buyer shall assume any obligations of Seller under written authorized Trade Agreements; *provided, however*, that Seller, from and after the date hereof through the Closing Date, shall not without the prior written consent of Buyer enter into any new Trade Agreements or modify or extend such Trade Agreements; *provided*, that Buyer does not assume or agree to satisfy, discharge or perform any other trade liabilities. Any Trade Agreements assumed by Buyer pursuant to the terms of this Section 4 shall be considered Assumed Contracts. "Trade Agreements" means the exchanges by Seller of its advertising time on the Station for goods or services, other than in connection with the licensing of programs and programming material. "Negative Trade Balance" means the difference, if negative, between the value of time owed under Trade Agreements for the Station to which the Seller is a party or by which it is bound and the value of the goods and services to be received by Buyer or its designee under such agreements.

(c) Exhibit C hereto lists any and all Assumed Contracts, Trade Agreements, obligations and liabilities to be assumed by Buyer on the Closing Date, which exhibit shall be updated at Closing to reflect additional Assumed Contracts entered into after the date of this Agreement and which have been expressly consented to by Buyer, if any.

5. Allocation. Within 30 days after the Closing, Seller and Buyer shall negotiate in good faith an allocation of the Purchase Price among the Assets (as well as liabilities assumed by Buyer) that conforms to Section 2 of this Agreement and complies with Section 1060 of the Internal Revenue Code with respect to the allocation of the Purchase Price. If the allocation is not agreed upon within 30 days after the Closing Date, then Buyer and Seller agree that the allocation shall be made and consistently reported by Buyer and Seller in compliance with Section 1060 based upon an asset valuation supplied by Broadcast Investment Analysts. The cost of such appraisal shall be shared equally by Buyer and Seller. Buyer will order such

appraisal from Broadcast Investment Analysts promptly after such date as Buyer and Seller fail to agree on such allocation. The appraisal, if required, shall be provided to Seller within 45 days after the order of such appraisal.

6. Damages for Breach.

(a) If the Closing does not occur solely because Buyer fails to deliver the Purchase Price pursuant to Section 2 above, including payment in cash of the amount provided in subsection 2(a) and delivering the fully executed documents provided in subsections 2(b) and 2(c) evidencing its obligation for payment of the deferred portion of the purchase price and providing security therefor, and if Seller has not materially breached either this Agreement or the LMA, or defaulted in the performance of its obligations hereunder or under the LMA and failed to cure any such breach or default within the periods prescribed therein, then Seller shall be entitled to exercise all available legal remedies to recover damages for Buyer's breach; *provided*, that any such damages shall not exceed the Purchase Price, court costs, and reasonable attorneys' fees. In the event that Seller terminates this Agreement pursuant to Section 21(a) due to Buyer's uncured material breach, for any reason other than as described in the immediately preceding sentence, then Seller shall have no other claims against Buyer.

(b) In the event the parties fail to close this transaction and Buyer is entitled to terminate this Agreement pursuant to Section 21(a) due to Seller's uncured breach, then Buyer may elect to sue for specific performance as provided in Section 22.

(c) The remedies provided in Sections 6(a) and 6(b) above shall be the sole and exclusive remedies of the parties in the event that Closing does not occur by reason of the other party's breach, other than the remedy of Termination under Section 21(a).

(d) In the event the parties terminate this Agreement pursuant to Section 21(b), 21(c), 21(d), 21(e) or 21(f), then neither party shall have any claim against the other party.

7. Local Marketing Agreement. Simultaneously with the execution of this Agreement, Buyer and Seller are entering into a time brokerage or local marketing agreement (the "LMA"), pursuant to which Seller shall make the Station's broadcasting facilities available to Buyer prior to the Closing, and an Agreement of Licensee with Time Brokers providing for transition from Seller's existing time brokerage agreement with MBP that is referred to in subsection (d) of this Section 7 to the new time brokerage agreement with Buyer. Both the LMA and the transition agreement are contained in Exhibit J hereto. Upon execution of the LMA, notwithstanding any other provisions of this Agreement:

(a) Seller shall not be liable for the breach of a representation or warranty of Seller contained in Section 10.1 (other than subsections (a) or (b)), if the fact, event or circumstance that gave rise to such breach occurs after the Commencement Date referred to in the LMA and was caused by a failure by Buyer to perform its obligations under the LMA;

(b) Seller shall not be liable for the failure to perform or observe any covenant contained in Section 12 if such failure was caused by a failure of Buyer to perform its obligations under the LMA;

(c) Buyer shall not be entitled to fail to consummate the transactions contemplated by this Agreement pursuant to Section 13 or to terminate this Agreement pursuant to the provisions of Section 21(a) as a result of a breach of any such representation, warranty, covenant or agreement by Seller caused by the failure of Buyer to perform its obligations under the LMA; and

(d) Seller shall have consented to the suspension of its local marketing agreement/time brokerage agreement for the Station with MBP, effective as of commencement of the term of its new LMA with Buyer.

8. FCC and Closing. Buyer and Seller agree that the purchase of the Assets is subject to the prior consent and approval of the FCC, without the inclusion of any materially adverse conditions affecting Buyer's operation or ownership of the Station. As soon as reasonably practicable after the execution of this Agreement (but in any event not later than seven (7) days after such execution), Buyer and Seller will file an application with the FCC seeking its consent (the "FCC Consent") for the sale of the Station contemplated hereby. The parties shall cooperate fully with each other in taking any additional actions necessary or helpful to accomplish the grant of FCC Consent. Each party will bear its own expenses in connection with the preparation, filing and prosecution of said application. Subject to the satisfaction or waiver of the conditions contained in this Agreement, the Closing will take place at the offices of Capell & Howard, P.C., in Montgomery, Alabama, at 10:00 a.m., local time, on the 10th business day after the day on which the initial grant of the FCC Consent (the "Initial Grant") has become a Final Order, or at such other time and place as shall be mutually agreed upon by the parties. At the election of Buyer, the receipt of a Final Order may be waived, and in such case the Closing will occur after the Initial Grant on a date selected by Buyer on at least five days' prior notice to Seller. "Final Order" means the written action or order issued by the FCC setting forth the FCC Consent (without the inclusion of any materially adverse conditions affecting Buyer's operation or ownership of the Station) and which has not been reversed,

stayed, enjoined, set aside, annulled or suspended, and with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration, appeal or stay, and the time for filing any such requests and for the FCC to set aside the action on its own motion has expired or (ii) in the event of review, reconsideration or appeal, such review, reconsideration or appeal has been denied and the time for further review, reconsideration or appeal has expired. In addition to any other conditions specifically contained in this Agreement, unless waived by Buyer, the obligation of Buyer to effect the transactions contemplated hereby is subject to Seller having performed in all material respects all obligations required to be performed by it under this Agreement prior to or on the Closing Date. Unless waived by Seller, the obligation of Seller to effect the transactions contemplated hereby is subject to Buyer having performed in all material respects all obligations required to be performed by it under this Agreement prior to or on the Closing Date. At the Closing, Buyer and Seller, as applicable, shall enter into the Bill of Sale and the Assignment and Assumption Agreement substantially in the forms of Exhibit K and Exhibit L, respectively, and such other documents, instruments and certificates required pursuant to this Agreement or as reasonably requested by Buyer or Seller to effect the transactions contemplated hereby.

9. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as follows, and Buyer and Seller agree that Seller's obligations hereunder are subject to these representations and warranties being true and correct as of the Closing Date:

(a) Buyer is a limited liability company duly organized, validly existing and in good standing in the state of its formation and has all necessary company power and authority to execute this Agreement and the other documents to be executed by it in connection herewith (collectively with this Agreement, "Buyer's Agreements") and consummate the transactions contemplated hereby and thereby;

(b) Buyer's execution, delivery and performance of Buyer's Agreements and the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on its part and, assuming the due execution and delivery of Seller's Agreements (hereinafter defined) by Seller, will constitute the valid and binding obligation of Buyer, enforceable against it in accordance with their respective terms, except as limited by laws affecting creditors' rights or equitable principles generally;

(c) Except for the FCC Consent, the execution, delivery and performance of Buyer's Agreements by Buyer does not require the consent of any governmental entity or third party. It will not conflict with or violate the provisions of Buyer's articles of organization or any applicable law or any judgment, order or ruling of any government authority having jurisdiction

over Buyer, and will not, directly or indirectly, conflict with or constitute a breach or default under any agreement, license or permit to which Buyer is a party or is subject;

(d) Buyer is qualified to be the assignee of the Station's FCC licenses and owner and operator of the Station under the Communications Act and the existing rules, regulations and practices of the FCC (as well as the rules proposed by the FCC in its actions released on July 2, 2003, in Dockets 02-277, 01-235, 01-317, 00-244 and 03-130 if those rules should become effective as proposed during the pendency of or be made applicable to the FCC applications required herein). Moreover, to its knowledge, Buyer is aware of no facts that would disqualify it from approval as assignee of the licenses of the Station by the FCC;

(e) Buyer presently has the funds available or committed from established and reliable funding sources to pay the cash portion of the Purchase Price due under Section 2(a) at Closing.

(f) As of the date of execution of this Agreement, the manager(s) and holders of any ownership interest in Buyer (or debt instrument convertible to an ownership interest) are listed in Exhibit M hereto; and

(g) Buyer has reviewed the representations and warranties of MBP in its contract to sell radio stations WQKS-FM, WACV (AM) and WJWZ (FM) (the "MBP Stations"), which include representations and warranties also as to WBAM-FM of which MBP is time broker. Buyer is satisfied for purposes of this Agreement with MBP's representations and warranties as to WBAM-FM in that separate agreement.

10.1 Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows, and, subject to the provisions of Section 7, Seller agrees that Buyer's obligations hereunder are subject to these representations and warranties being true and correct as of the Closing Date:

(a) Deep South is a corporation duly organized, validly existing and in good standing in the state of its incorporation. Seven Leasing is a limited liability company duly organized, validly existing and in good standing in the state of its organization. Seller has all necessary corporate/company power and authority to execute this Agreement and the other documents to be executed by it in connection herewith (collectively with this Agreement, "Seller's Agreements") and to consummate the transactions contemplated hereby and thereby. Seller's execution, delivery and performance of Seller's Agreements and the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action

on its part and, assuming the due execution, delivery and performance of Buyer's Agreements by Buyer, will constitute the valid and binding obligations of Seller, enforceable against it in accordance with their respective terms, except as limited by laws affecting creditors' rights or equitable principles generally. No person other than Seller has any interest in any of the Assets;

(b) Except for the FCC Consent, the execution, delivery and performance of Seller's Agreements by Seller does not require the consent of any governmental entity or third party. It will not conflict with or violate the provisions of Seller's articles of incorporation/organization or bylaws or any applicable law or any judgment, order or ruling of any government authority having jurisdiction over Seller, will not, directly or indirectly, conflict with or constitute a breach or default under any agreement, license or permit to which Seller is a party or is subject, and will not result in the creation of any lien or encumbrance on the Assets;

(c) Seller is the authorized legal holder of all licenses, permits and authorizations from federal, state and local governmental and regulatory authorities that are required for the lawful operation of the Station as now being conducted, and all of such licenses, permits or authorizations are in full force and effect and are not subject to any restrictions or conditions limiting or restricting the full operation of the Station as now being conducted. There are no pending or, to the best knowledge of Seller, threatened proceedings that could result in the revocation, modification or nonrenewal of such licenses, permits and authorizations and Seller has no reason to believe that such licenses, permits and authorizations will not be renewed in their ordinary course. To the best knowledge of Seller, there are no facts that would disqualify Seller as assignor of any FCC license for the Station;

(d) Seller is to its knowledge in material compliance with all laws, regulations, rules and governmental orders applicable to the Station and the Assets and operations of the Station, and, to Seller's knowledge, Seller has not violated such laws, regulations, rules or governmental orders in the operation of the Station and no such violations have occurred that would affect Seller's ability to perform its obligations hereunder;

(e) Seller is not subject to any judgment, injunction, order or arbitration decision relating to the Assets or operations of the Station and there is no litigation or administrative proceeding pending or, to the best of Seller's knowledge, threatened against Seller or the Station relating to the Assets or operations of the Station or that would affect Seller's ability to perform its obligations hereunder.

(f) Seller owns and has, and following the Closing Buyer will have, good and marketable title to the Assets, which Assets when combined with assets made available by Seller's time broker include all interests in real property and personal property necessary to conduct the business and operations of the Station as now conducted (except for personal property excluded from sale in Section 1). All of the personal property to be transferred to Buyer is in good and technically sound operating condition and repair, normal wear and tear excepted, is suitable for the purposes for which it is now being used and has been maintained in a manner consistent with generally accepted standards of good engineering practice. The Assumed Contracts are valid and binding obligations of the Seller and are in full force and effect, and to the knowledge of Seller no other party is in default in any material respect under such Assumed Contracts. Except as set forth in Exhibit C, the Assumed Contracts may be transferred to the Buyer pursuant to this Agreement and will be in full force and effect at the time of such transfer (subject to expiration or termination in accordance with its terms), in each case without breaching the terms thereof or resulting in the forfeiture or impairment of any rights thereunder and without the consent, approval or act of, or the making of any filing with, any other party. The Seller has fulfilled and performed in all material respects its obligations under each of the Assumed Contracts, and is not alleged to be in breach or default under either of the Assumed Contracts in any material respect. Except as disclosed in Exhibit C, Seller has heretofore delivered or made available to the Buyer complete and correct copies of each of the written Assumed Contracts, together with any amendments thereto. Except as permitted hereunder, the Assumed Contracts as amended through the date of this Agreement will not be modified or renewed without Buyer's written consent, which consent shall not be unreasonably withheld or delayed. As of the Closing Date all of the Assets, including the lease, will be free and clear of all liens, pledges, claims, orders, security interests, writs, judgments, restrictions, mortgages (real or personal), tenancies and other possessory interests, conditional sale or other title retention agreements, assessments, easements, rights of way, covenants, restrictions, rights of first refusal, defects in title, encroachments and other burdens, options or encumbrances of any kind (collectively, "Liens"), except those that do not materially interfere with the use, value and/or operation of the Station and/or the Assets, and except (a) statutory Liens securing payments not yet delinquent or the validity of which is being contested in good faith by appropriate actions, (b) Liens for taxes not yet delinquent, (c) Liens securing indebtedness, all of which Liens will be fully discharged by Seller at the Closing upon repayment of all amounts due and owing, (d) Liens on leases arising from the provisions of such leases, and (e) zoning ordinances;

(g) To the best of Seller's knowledge, the real estate used in connection with the Station and the business and operations thereon is, and except with respect to any predecessor or prior owner, operator or lessee (each a "Predecessor"), in substantial compliance with all

applicable federal, state and local statutes, codes, rules, ordinances or regulations as well as common law decisions relating to the environment, natural resources and public or employee health and safety (collectively, the "Environmental Laws"). No judicial or administrative proceedings are to Seller's knowledge pending or threatened against Seller or MBP, or any of the real estate used in connection with the Station, alleging the violation of or seeking to impose liability pursuant to any Environmental Law. No notice or claim from any governmental entity or other person has been given to Seller claiming violation of or alleging any liability under remediation of any Environmental Laws in connection with any of the real estate used in connection with the Station or operations thereon. There are no facts, circumstances or conditions on the real estate or the business or operations thereon used in connection with the Station or the business and operations thereon which are to Seller's knowledge reasonably likely to give rise to an environmental claim or result in Environmental Costs and Liabilities (as hereinafter defined). All substances, materials or waste that are regulated by federal, state or local government under the Environmental Laws as hazardous, toxic or a pollutant or contaminant, as well as any petroleum or petroleum derived product, used or generated by Seller or by any Predecessor in connection with the real estate and used in connection with the Station (collectively, the "Hazardous Substances"), have been stored, used, treated, and disposed of by such persons or on their behalf in such manner, so far as Seller is aware, as not to result in any material Environmental Costs or Liabilities. "Environmental Costs and Liabilities" means any losses, including environmental remediation costs, clean up funds, liabilities, obligations, damages, fines, penalties or judgments, arising from or under any Environmental Law or order of or agreement with any governmental entity or other person. So far as Seller is aware there are not now, nor have there been in the past, on, in or under any real estate used in connection with the Station when owned, leased or operated by Seller, or when owned, leased or operated by any Predecessor, any of the following: underground storage tanks, above-ground storage tanks (except for a fuel tank for back-up generator), dikes or impoundments containing (i) Hazardous Substances, (ii) asbestos containing materials, (iii) polychlorinated biphenyls or (iv) radioactive substances or related compounds (other than those labeled and maintained in accordance with applicable Environmental Laws) in amounts or concentrations regulated under the Environmental Laws. The Station operations do not have a significant environmental impact, as defined by 47 C.F.R. § 1.1307;

(h) During the past two years there has not occurred, and Seller has not incurred or suffered, any event, circumstance, or fact that could result in a material adverse effect on the business, operations, properties (taken as a whole), condition (financial or otherwise), results of operations, assets (taken as a whole), liabilities or prospects of the Station. Seller has during that time conducted its business only in the ordinary course consistent with past practice and

nothing has occurred that would have been prohibited by Section 12 if the terms of such section had been in effect during the past two years. During that period there has not occurred, and Seller has not incurred or suffered, any event, circumstance or fact that materially impairs the physical assets of the Station;

(i) No representation or warranty made by Seller and contained in this Agreement contains any untrue statement of a material fact or omits any material fact required to make any statement contained herein not misleading. Seller is not aware of any impending or contemplated event or occurrence that would cause any of the foregoing representations not to be true and complete on the date of such event or occurrence as if made on that date;

(j) Seller has or by the Closing Date will have paid and discharged all taxes, assessments, excises and other levies due and payable by Seller with respect to the Assets that, if due and not paid, would materially interfere with Buyer's full enjoyment of the Assets after Closing, excepting such taxes, assessments and other levies as will not be due until after the Closing Date and that are to be prorated between Seller and Buyer. To Seller's knowledge, no event has occurred that could impose on Buyer any liability for any taxes, penalties or interest due or to become due from Seller to any taxing authority;

(k) With respect to any employee benefit plan (a "Plan") pertaining to employees of the Seller, as such term is defined in §3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Seller has (i) filed or caused to be filed all returns and reports on the Plans that it is required to file, and (ii) paid or made adequate provision for all fees, interest, penalties, assessments or deficiencies that have become due pursuant to those returns or reports or pursuant to any assessment or adjustment that has been made relating to those returns or reports. All other fees, interest, penalties and assessments that are payable by or for Seller have been timely reported, fully paid and discharged. There are no unpaid fees, penalties, interest or assessments due from Seller or from any other person that are or could become an encumbrance on any Asset or could otherwise adversely affect the businesses or Assets;

(l) Exhibit N provides information on the insurance policy of Seller applicable to the assets Seller owns or holds for use in the operation of the Station. The policy is in full force and effect on the date hereof, is valid and enforceable in accordance with its terms and is in an amount consistent with past practices. No event or claim has occurred, including, without limitation, the failure by Seller to give any notice or information, or the delivery of any inaccurate or erroneous notice or information, or any reservation of rights, which limits or impairs the rights of the insured parties under any such insurance policies. Seller shall cause

comparable policies of insurance to remain in effect for acts, omissions and events occurring on or prior to the Closing Date;

(m) Seller has not agreed to recognize any union or other collective bargaining unit, nor has any union or other collective bargaining unit been certified as representing any of Seller's employees. Seller, with respect to the Station, (a) is and has been in substantial compliance with all applicable laws regarding employment and employment practices (including, without limitation, ERISA), and those laws relating to terms and conditions of employment, wages and hours, and plant closing, occupational safety and health and workers' compensation, and is not engaged, nor has it engaged, in any unfair labor practices; (b) has no, and has not within the past five years had any, unfair labor practice claims, charges or complaints pending or threatened against it before the FCC or the National Labor Relations Board; (c) has no, and has not within the past five years had any, grievances pending or threatened against it; and (d) has no, and has not within the past five years had any, charges pending or threatened against it before the Equal Employment Opportunity Commission or any state or local agency responsible for the prevention of unlawful employment practices. There is no labor strike, slowdown, work stoppage or lockout actually pending or threatened against or affecting the Station. No union organizational campaign or representation petition is currently pending with respect to any of the Station employees working for the Seller;

(n) No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of its respective assets or properties are pending, or threatened, and Seller has made no assignment for the benefit of creditors, fraudulent conveyances, preferences, or transfers, nor has Seller taken any action with a view to, or which would constitute a basis for, the institution of any such insolvency proceedings. Seller shall use the proceeds received under this Agreement to pay, satisfy, or discharge, or to make appropriate provision for the payment of any and all creditors of Seller prior to making any distribution to its shareholders or managers or members;

(o) The books, records and accounts of Seller maintained with respect to the Station accurately and fairly reflect, in reasonable detail and in all material respects, the transactions and the assets and liabilities of Seller. Seller has not engaged in any transaction, maintained any bank account or used any of the funds of Seller except for transactions, bank accounts and funds that have been and are reflected, in all material respects, in the normally maintained books and records of the Station;

(p) Seller will, prior to Closing, provide Buyer with an accurate list of any Trade Agreements or similar arrangements made by it for sale of advertising on the Station for other than cash, and which are outstanding as of the date thereof. All such advertising time may be preempted by advertising time that is sold for cash. Any Trade Agreements and similar arrangements for the sale of advertising time for other than cash will have been entered into consistent with Section 4(b);

(q) Seven Leasing is wholly-owned by the stockholders of Seller; and

(r) Seller has no liabilities and obligations, whether accrued, vested, matured, absolute, fixed, contingent or otherwise, that threaten or would impair its ability to perform its obligations to Buyer in this Agreement.

10.2 Changes Before Closing: Seller shall not be liable to Buyer for damages for breach of any representation in Section 10.1 that, though true at the time of this Agreement, may have ceased to be true by the time of Closing for reasons other than fault on the part of Seller; *provided, however*, that Buyer shall in such event be entitled to terminate this Agreement and the LMA.

11. Certain Buyer Covenants. Buyer hereby makes the following covenants to Seller, the compliance with which in all material respects shall be a condition to Seller's obligations hereunder:

(a) Buyer shall not take any action that is materially inconsistent with its obligations under this Agreement or the LMA and shall promptly notify Seller of any litigation or administrative proceeding pending or, to Buyer's best knowledge, threatened against Buyer that challenges the transactions contemplated hereby;

(b) Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Station except as it provides programming for the Station and sells advertising within that programming in a manner consistent with the requirements of the LMA and the FCC. Ultimate control of all aspects of Station operations shall remain at all times the responsibility and prerogative of the Seller, until Closing on sale to the Buyer pursuant to FCC Consent;

(c) Buyer shall not knowingly take any action that would cause any representation or warranty contained herein to become false or invalid, and Buyer shall notify Seller of a change in any of Buyer's representations and warranties contained herein; *provided, however*, that such notice shall not operate to cure any breach of such representations or warranties; and

provided further that Buyer may update at Closing the list of its managers and holders of ownership and convertible debt referred to in Section 9(f) to provide information to show all changes after the date of execution of this Agreement.

(d) Buyer will notify Seller of any litigation, administrative proceeding, or governmental investigation hereafter pending, or to Buyer's knowledge threatened, that challenges the transactions contemplated hereby or Buyer's ability to consummate;

(e) Buyer will promptly execute and diligently prosecute the application to be filed with the FCC for consent to its acquisition of the MBP Stations;

(f) Buyer will provide Seller or Seller's attorneys with copies of all documents filed by Buyer with the FCC relating to the Station or to the MBP Stations between the date hereof and the Closing Date, simultaneously with the Commission filing; and

(g) Buyer will do nothing from the time of execution of this Agreement until the FCC Consent to sale of the Station to Buyer has become a Final Order that would render Buyer unqualified or otherwise cause denial of the FCC Consent.

12. Certain Seller Covenants. Subject to the provisions of Section 7, Seller hereby makes the following covenants to Buyer, the compliance with which in all material respects shall be a condition to Buyer's obligations hereunder:

(a) Seller shall supervise and conduct the operations of the Station in the ordinary and prudent course of business consistent with past practices, shall not sell, lease or dispose of any Asset to be conveyed hereunder, without replacing the Asset with another of roughly equivalent value and quality, and shall do nothing to impair preservation of the business with the Station of customers, suppliers and others having business relations with the Station;

(b) Seller shall operate the Station in all material respects in accordance with the FCC license for such Station and all laws, regulations and rules applicable to such Station;

(c) Seller shall not knowingly take any action that would cause any representation or warranty contained herein to become false or invalid, and shall notify Buyer of a change in any of its representations and warranties contained herein; *provided, however*, that such notice shall not operate to cure any breach of such representations or warranties;

(d) Seller shall not knowingly take any action that is materially inconsistent with its obligations under this Agreement or the LMA;

(e) Seller will promptly notify Buyer of any litigation or administrative proceeding or investigation pending or, to Seller's knowledge threatened, that challenges the transactions contemplated hereby or Seller's ability to consummate;

(f) If normal broadcast transmissions of the Station are interrupted, interfered with or in any way impaired, Seller will share with Buyer, upon request, Seller's information as to the known identity of the problem and measures being taken to correct it; provided, however, that if operation of the Station is not resumed at full licensed power and antenna height within five (5) days after such event or if more than five (5) such events occur within any thirty (30) day period, or if the Station shall be off the air for more than twelve (12) consecutive hours, then Buyer may at its own expense after written notice to Seller make such repairs or capital improvements as are required to return the Station to full licensed power and antenna height. Neither Seller nor Buyer shall be considered as in default under this Agreement if any cause for the impairment or off-air status of the Station is due to weather related causes, force majeure or any other cause beyond the control of such party;

(g) Seller will provide Buyer or Buyer's attorneys with copies of all documents filed by Seller with the FCC relating to the Station between the date hereof and the Closing Date, simultaneously with the Commission filing;

(h) Prior to Closing, Seller will reevaluate the information submitted in the antenna structure registration for the Station and take any remedial actions necessary to insure that the antenna structure registration and the Station's FCC authorizations reflect correct antenna structure information;

(i) Seller shall exercise reasonable due diligence in prosecuting its pending license renewal application with the FCC and shall in good faith file or cause to be filed any necessary amendments to that application. Seller shall provide all notices regarding the renewal application to Buyer promptly upon receipt thereof;

(j) Seller will use its best efforts to obtain all consents, authorizations or approvals required for the consummation of the transactions contemplated by this Agreement and/or the LMA; and

(k) Seller shall not lease, sell, convey, or transfer any of the Assets without replacing such Assets with assets of roughly equivalent value and quality, and shall not encumber, mortgage, pledge or otherwise subject any of the Assets to a lien or encumbrance other than liens in the ordinary course of business.

13. Certain Conditions to Buyer's Obligations. Buyer and Seller agree that Buyer's obligations hereunder are specifically conditioned upon the prior occurrence of the following:

(a) At Buyer's sole cost and expense, the completion within thirty (30) days after the date of execution of this Agreement of a Phase I environmental audit by Buyer's agents of the real property leased in connection with the operation of the Station, which shall be satisfactory to Buyer or, if unsatisfactory, remain so after written notice to Seller and an opportunity for removal of identified environmental hazards;

(b) Buyer shall have received at Closing (i) written opinions of Seller's FCC and corporate counsel (which may be relied upon by Buyer's lenders and investors) dated as of the Closing Date as to the matters set forth in Exhibit O and Exhibit P hereto in form and substance reasonably satisfactory to Buyer, (ii) a payoff instruction letter or letters from Seller and (iii) a fully-executed copy of the Intercreditor and Subordination Agreement, substantially in the form of Exhibit Q hereto;

(c) All instruments of conveyance and transfer and other documents delivered by Seller to effect the sale, transfer and conveyance of the Assets to Buyer shall be reasonably satisfactory in form and substance to Buyer and its counsel, with all such Assets being conveyed free and clear of any liens and encumbrances;

(d) No litigation or administrative proceeding or investigation (whether formal or informal) shall be pending, or to Buyer's knowledge threatened, which challenges the transactions contemplated hereby;

(e) Buyer shall have consummated the transactions contemplated in a certain asset purchase agreement (including a local marketing agreement) with MBP with respect to the MBP Stations (the "MBP Agreements"), unless such failure to consummate the transactions was due to Buyer's breach of the MBP Agreements;

(f) Seller shall have obtained all third-party consents and approvals required for the transfer or continuance of the Assumed Contracts and any contracts that would have been identified in Exhibit C had they been in existence on the date of this Agreement, and such

third parties have provided estoppel certificates, affidavits, consents, non-disturbance agreements, and/or written clarifications of the rights of Buyer thereunder, all in form and substance reasonably satisfactory to Buyer;

(g) The FCC shall have given the FCC Consent to the assignment without conditions adverse to Buyer in any material respect, and such FCC Consent shall have become a Final Order unless an earlier Closing is provided in Section 8;

(h) All terms, covenants and conditions to be complied with and performed by Seller prior to or on the Closing Date shall have been complied with or performed in all material respects to the reasonable satisfaction of Buyer;

(i) The FCC shall have given its consent to the license renewal application with respect to the Station;

(j) Seller shall have provided Buyer with appropriate pay-off letters with regard to any portion of the purchase price being paid by Buyer at Closing to discharge any obligations or Liens of Seller; and

(k) Seller shall, if it is still a partner in the partnership known as Montgomery Tower Partners, have entered into an Agreement of Assignment and Assumption of Joint Venture Partnership Interest providing for transfer of its Partnership Interest to Buyer's Affiliate for consideration to be paid to Seller whenever the Partnership Interest is sold by the transferee (the "Partnership Interest Assignment Agreement").

14. Certain Conditions to Seller's Obligations. Buyer and Seller agree that Seller's obligations hereunder are specifically conditioned upon delivery to it at Closing of:

(a) If Seller is still a partner in Montgomery Tower Partners, the Partnership Interest Assignment Agreement executed by Buyer's Affiliate;

(b) Fully executed copies of all documents referred to in Sections 2(b) and 2(c), in substantially the forms of Exhibits to this Agreement or as provided to Seller prior to execution of this Agreement), and a fully executed copy of an Intercreditor and Subordination Agreement substantially in the form of **Exhibit Q** hereto;

(c) A written opinion of counsel for Buyer's principal funding source, in a form substantially the same as provided to Seller prior to execution of this Agreement;

(d) A certification by a Manager of Buyer's principal funding source, in a form substantially the same as provided to Seller prior to execution of this Agreement, that the entity providing funding and others acting through it have made loans to or investments in Buyer totaling at least \$6,000,000, which are not secured by any liens on assets of Buyer or ownership interests in Buyer that are superior in claim to the liens securing payment to Seller of its Senior Secured Promissory Note and Subordinated Secured Promissory Note.

(e) Title insurance policies, obtained at Buyer's expense, on all real estate on which Seller is provided mortgages under Sections 2(b) and 2(c), each such policy being an American Land Title Association extended coverage lender's policy of title insurance with the so-called "standard exceptions" deleted therefrom and in form and substance satisfactory to Seller, together with such endorsements and policies of coinsurance and/or reinsurance as may be required by Seller, in a policy amount satisfactory to the Seller, insuring the mortgages to be, as to the holders of the Senior Secured Promissory Note, a valid first priority lien on the property, and as to the Seller, a valid second priority lien on the property, and showing the property to be subject only to exceptions acceptable to the Seller. Buyer shall not be required to obtain title insurance on real estate as to which Seller is provided a leasehold interest under Sections 2(b) and 2(c);

(f) Written opinions of Buyer's and its Members' counsel, substantially in the form of **Exhibit R** hereto; and

(g) The FCC shall have granted the FCC Consent to the assignment to Buyer of the FCC license for the Station.

15. Joint Covenants.

(a) Cooperation. Buyer and Seller agree to cooperate fully with one another in taking any actions necessary or helpful to accomplish the transactions contemplated hereby, including actions to obtain consents required by the FCC or any third party; *provided, however*, that no party shall be required to take any such action if it would have a material adverse effect upon it or any affiliate entity that is under common control.

(b) Employee Matters. Commencing subsequent to the execution of this Agreement, Seller shall make the Station's personnel employed by Seller available to Buyer during normal business hours for interview prior to the Closing Date. Buyer shall notify Seller within two weeks prior to the Closing Date of the names of the employees who have accepted offers from Buyer of employment at the Station (the "Transferred Employees"). Except as provided in and subject to the LMA, Seller shall be responsible for all obligations or liabilities of the Station to Seller's employees related to the period prior to the Closing Date (including, but not limited to, any severance pay due Seller's employees in connection with the Closing). Buyer shall be responsible for all obligations or liabilities of the Station to the Transferred Employees occurring on or after the Closing Date. Buyer agrees to hire the Transferred Employees on such terms and conditions as Buyer and the Transferred Employees mutually agree.

16. Bulk Sales. Buyer and Seller agree to waive compliance with all "bulk sales" or similar laws that may be applicable to the transactions contemplated hereby, insofar as such compliance is waivable by the parties.

17. Confidentiality; Non-Solicitation and No-Shop.

(a) Confidentiality. Buyer and Seller shall each keep confidential all information obtained by it with respect to the other in connection with this Agreement, will use such information solely in connection with the transactions contemplated hereby, and shall return all such information to the other party if such transactions are not consummated for any reason.

(b) Non-Solicitation. Prior to the Closing Date, neither Seller nor any authorized representative of Seller will solicit, initiate or encourage the submission of proposals or offers from any person or entity for the purchase of the Station and/or the Assets.

(c) No Shop. Seller agrees that, prior to closing, neither Seller nor any authorized representative of Seller will engage in, initiate, or permit to occur, any discussion of any kind whatsoever with any third party for the direct or indirect purchase or the sale of the Station/Assets (a "Sale") to any third party. Seller represents and warrants that during the two month period prior to the execution date of this Agreement Seller has neither contacted any other person relating to a Sale nor authorized any representative of Seller to do so on its behalf.

18. Costs and Expenses. Except as otherwise expressly set forth in this Agreement, Buyer and Seller agree that each party shall be solely responsible for all costs and expenses

incurred by it in connection with the consummation of the transactions contemplated hereby; *provided, however*, that all transfer, sales or use taxes or similar charges resulting from the transfer of the Assets contemplated hereby shall be borne by Seller. In the event of a dispute between the parties in connection with this Agreement or the transactions contemplated hereby, each of the parties hereto agrees that the prevailing party shall be entitled to reimbursement by the other party of reasonable legal fees and expenses incurred in connection with any action or proceeding.

19. Indemnification.

(a) From and after the Closing Date, Seller agrees to indemnify and hold Buyer harmless from and against all costs, losses and damages (including reasonable attorney fees) incurred by Buyer as a result of or arising out of (i) the breach by Seller of any of its representations and warranties contained in this Agreement or the LMA, (ii) the failure by Seller to perform its covenants set forth in this Agreement or the LMA, (iii) the conduct by Seller of the operations of the Station or the use or ownership of the Assets prior to the Closing Date, including any and all liabilities arising under Seller's FCC licenses or the Assumed Contract that relate to events occurring prior to the Closing Date, (iv) any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, claims (including third-party claims) or disbursements of any kind or nature that accrued prior to the Closing Date and may be imposed on, incurred by, or asserted against Buyer, and (v) any and all obligations or liabilities of Seller under any contract or agreement not expressly assumed by Buyer pursuant to the terms hereof.

(b) From and after the Closing Date, Buyer agrees to indemnify and hold Seller harmless from and against all costs, losses and damages (including reasonable attorney fees) incurred by Seller as a result of or arising out of (i) the breach by Buyer of any of its representations and warranties contained in this Agreement or the LMA, (ii) the failure by Buyer to perform its covenants set forth in this Agreement or the LMA, and (iii) the conduct of the operations of the Station from and after the Closing Date, including any and all liabilities arising under FCC licenses for the Station or the Assumed Contract that relates to events occurring from and after the Closing Date, (iv) any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, claims (including third-party claims) or disbursements of any kind or nature that accrue on or after the Closing Date and may be imposed on, incurred by, or asserted against Seller and/or its affiliates and (v) any and all obligations or liabilities of Buyer under any contract or agreement expressly assumed by Buyer pursuant to the terms hereof.

(c) The indemnified party shall make no settlement, compromise, admission or acknowledgment that would give rise to liability on the part of the indemnifying party without the prior written consent of the indemnifying party.

(d) No party shall be liable to the other under any indemnification provision contained herein except to the extent that the aggregate amount of all claims for which indemnification from that party is sought exceeds Forty Five Thousand Dollars (\$45,000.00) (the "Basket"); *provided, however*, that any such claims of Seven Leasing and Deep South shall be deemed to be submitted jointly towards satisfaction of the Basket. No party shall be liable to the other under any indemnification provision contained herein for a total amount that exceeds One Million Dollars (\$1,000,000.00); *provided, however*, that this cap on liability shall not be construed to apply to Buyer's failure to pay all or any part of the Purchase Price.

(e) All representations and warranties contained herein shall survive the Closing in full force and effect through the first anniversary of the Closing Date, and following termination of a representation or warranty no claim can be brought with respect to a breach of a representation or warranty, but such termination shall not affect any claim for a breach of a representation or warranty that was asserted with specificity in a written notice to the other party before the date of termination. All covenants and agreements made hereunder shall survive the Closing in full force and effect without limitation as to duration.

(f) Notwithstanding anything to the contrary contained in this Section 19, Seven Leasing's indemnification obligation shall only relate to claims attributable to the Assets conveyed by Seven Leasing to Buyer in accordance with the terms of this Agreement.

20. Method of Asserting Claim.

(a) Either party seeking indemnification under Section 19 (an "Indemnified Party") shall give written notification to the party from whom indemnification is sought (the "Indemnifying Party") of the commencement of any suit or proceeding by a third party (each a "Third Party Claim"). Such notification shall be given within three (3) business days after receipt by the Indemnified Party of notice of such Third Party Claim; provided, however, that no delay or failure on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party of any Liability hereunder except to the extent of any Damages caused by or arising out of such delay or failure. Such notice shall be accompanied by copies of any summons, complaint or other pleading that may have been served on, and any written demand received by, the Indemnified Party relating to the Third Party Claim.

(b) Within seven (7) days after delivery of such notification, the Indemnifying Party may, upon written notice thereof to the Indemnified Party, assume control of the defense of such Third Party Claim at the expense of the Indemnifying Party, with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the Indemnifying Party does not so assume control of such defense, the Indemnified Party shall control such defense. The Indemnifying Party shall be liable for the fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has not assumed the defense thereof, other than during any period in which the Indemnified Party shall have failed to give notice of the Third Party Claim as provided above. Any party not controlling a defense (the "Non Controlling Party") of a Third Party Claim may participate therein at its own expense. The party controlling the defense (the "Controlling Party") shall keep the Non Controlling Party advised of the status of such suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Non Controlling Party with respect thereto. The Non Controlling Party shall furnish the Controlling Party with such information as it may have with respect to such Third Party Claim, including copies of any summons, complaint or other pleading that may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same, and shall otherwise cooperate with and assist the Controlling Party in the defense of such Third Party Claim. If the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party will agree to any settlement, compromise or discharge of such Third Party Claim that the Indemnifying Party may recommend and which by its terms obligates the Indemnifying Party to pay the full amount of liability in connection with such Third Party Claim; provided, however, that without the Indemnified Party's consent (which consent shall not be unreasonably withheld), the Indemnifying Party shall not consent to entry of any judgment or enter into any settlement (i) that provides for injunctive or other nonmonetary relief adversely affecting the Indemnified Party or (ii) that does not include as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnified Party of a release from all liability with respect to such claim. The Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, any Third Party Claim (A) for which the Indemnifying Party shall have assumed the defense or (B) which involves a claim for monetary relief for which indemnification may be sought hereunder, without the Indemnifying Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

(c) In the event any Indemnified Party should have a claim against any Indemnifying Party under Section 19 that does not involve a Third Party Claim being asserted against or sought to be collected from such Indemnified Party, an Indemnified Party shall give written notification (a "Claim Notice") to the Indemnifying Party that contains (i) a description and the amount (the "Claimed Amount"), including the basis therefor, of any Damages

incurred by the Indemnified Party, (ii) a statement that the Indemnified Party is entitled to indemnification under Section 19 for such Damages and a reasonable explanation of the basis therefor, and (iii) a demand for payment in the amount of such Damages, subject to the limitations contained in Section 19; provided, however, that no delay or failure in giving a Claim Notice shall relieve the Indemnifying Party of any Liability or obligation hereunder except to the extent of any Damages caused by or arising out of such delay or failure.

(d) Within fifteen (15) days after delivery of a Claim Notice, the Indemnifying Party shall deliver to the Indemnified Party a written response (the "Response") in which the Indemnifying Party shall: (i) agree that the Indemnified Party is entitled to receive all of the Claimed Amount; (ii) agree that the Indemnified Party is entitled to receive part, but not all, of the Claimed Amount; or (iii) dispute that the Indemnified Party is entitled to receive any of the Claimed Amount. In the event that there is a dispute as to whether a party is entitled to indemnification hereunder, Buyer and Seller agree to resolve such dispute by binding arbitration (before a single arbitrator) according to the Commercial Rules of the American Arbitration Association, at a location in Montgomery, Alabama, or convenient thereto. The decision of the arbitrator shall be final and binding and shall not be subject to appeal, provided that the prevailing party in such arbitration may seek judicial enforcement of the arbitrator's award.

(e) Seller agrees that, notwithstanding anything herein to the contrary, Buyer shall be entitled to set-off against any payments due and owing to Seller under this Agreement, or against any payments due and owing to Seller under the Subordinated Secured Promissory Note executed by Buyer in favor of Seller, (i) any and all liabilities, losses, damages, claims, expenses, fees or costs howsoever incurred by Buyer if compensable under this Agreement, and (ii) all costs, losses, claims, damages, expenses, fees and costs of Buyer arising under the circumstances described in Sections 19 and 20 hereof. Any set-off under this Section 20 shall be effective upon the delivery of a certificate from an officer of Buyer delivered to Seller detailing the basis and amount(s) of the set-off and the manner in which such set-off amount(s) will be applied.

21. Termination. This Agreement may be terminated at any time prior to Closing as follows:

(a) by written notice of Buyer to Seller or Seller to Buyer asserting with specificity a claim of material breach by the other party of its representations or warranties, or default in any material respect in the performance of its covenants or agreements contained herein or in the LMA, and such actual breach or default shall not be cured within thirty (30) days after the

date notice of such breach or default is served by the party seeking to terminate this Agreement (subject also in the case of the LMA to cure provisions provided therein);

(b) by written notice of Buyer to Seller or Seller to Buyer, if the FCC denies granting the FCC Consent or designates the application for a trial-type hearing; or

(c) by written notice of Buyer to Seller or Seller to Buyer, if there shall be in effect any judgment, decree or order that would prevent or make unlawful the Closing of the transactions contemplated by this Agreement; or

(d) by ten (10) days written notice of Buyer to Seller, or by Seller to Buyer, if the Closing shall not have been consummated on or before the 12-month anniversary of the filing by the parties of the application for the FCC Consent; or

(e) by written notice of Buyer to Seller under the circumstances provided for in Section 10.2 or if the FCC fails to grant the license renewal application with respect to the Station;

(f) by written notice of Buyer to Seller if Buyer's agreement with MBP for the acquisition of the MBP Stations is terminated for any reason other than a material breach by Buyer;

provided, however, that no party hereto may effect a termination hereof if such party is then in material breach or default of this Agreement or the LMA. The parties' sole remedies for any such termination shall be as set forth in Section 6 hereof. If this Agreement terminates for any reason, Seller shall be entitled to all trademarks, copyrights, logos, slogans, jingles and other promotional materials of the Station, whether or not developed or used by the Buyer during the term of the LMA.

22. Specific Performance. Buyer and Seller recognize that, if Seller refuses to perform under the provisions of this Agreement or the LMA, monetary damages alone will not be adequate to compensate Buyer for its injury. Buyer shall therefore be entitled to obtain specific performance of the terms of this Agreement and/or the LMA. Seller hereby waives any defense of adequacy of remedies with regard to any claims for specific performance by Buyer hereunder.

23. Amendment. No amendment, waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by

an instrument in writing signed by the party against whom enforcement of any waiver, amendment or consent is sought.

24. Governing Law. This Agreement, including, without limitation, the interpretation, construction, validity and enforceability thereof, shall be governed by the laws (other than the conflict of laws rules) of the State of Alabama, and subject also to the Federal Communications Act of 1934, as Amended, and the Rules and Regulations of the FCC. Any proceedings to enforce or interpret this Agreement shall be commenced in a court of competent jurisdiction in Montgomery, Alabama. The parties agree not to assert nor interpose any defenses, and do hereby waive the same, to the conferral of personal and subject matter jurisdiction, and venue by such court in any suit, action or proceeding. The prevailing party in any such action or proceeding shall be entitled to recover reasonable attorneys' fees at all levels, and costs.

25. Notice. All notices, requests, consents, waivers and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given (e) if transmitted by facsimile, upon acknowledgment of receipt thereof in writing by facsimile or otherwise; (f) if personally delivered, upon delivery or refusal of delivery; (g) if mailed by registered or certified United States mail, return receipt requested, postage prepaid, upon delivery or refusal of delivery; or (h) if sent by a nationally recognized overnight delivery service, upon delivery or refusal of delivery. All notices, consents, waivers or other communications required or permitted to be given hereunder shall be addressed to the respective party to whom such notice, consent, waiver or other communication relates at the following addresses:

To Deep Mr. William J. Brennan, Jr., President
South: Deep South Broadcasting Company
 1571 Meriwether Circle
 Montgomery, Alabama 36117-3424

Copies to: S. White Rhyne, Esq.
 3250 Arcadia Place, NW
 Washington, DC 20015-2330
 Fax: (202) 244-4279

and

Mr. William J. Brennan, Jr.
February 23, 2004
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Henry H. Hutchinson, Esq.
Capell & Howard, P.C.
150 South Perry Street
Montgomery, AL 36104-4227
Post Office Box 2069
Montgomery, AL 36102-2069
Fax: (334) 241-8270

To Buyer: Mr. Richard Pestrichelli
Bluewater Broadcasting, LLC
6300 NE 1st Avenue, Suite 202
Fort Lauderdale, Florida 33334
Fax: (954) 434-5408

Copy to: Matthew L. Leibowitz, Esq.
Leibowitz & Associates, P.A.
One SE Third Avenue, Suite 1450
Miami, FL 33131
Fax: (305) 530-1322

To Seven Leasing: Mr. Richard Grey Brennan, Manager
Seven Leasing, L.L.C.
3126 Jasmine Road
Montgomery, Alabama 36111-1115

Copies to: S. White Rhyne, Esq. and
Henry H. Hutchinson, Esq.
See Deep South above for
Addresses and Fax

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

27. Severability. Buyer and Seller agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision(s) deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

28. Entire Agreement. This Agreement, the Exhibits hereto, the LMA referenced herein, the Partnership Interest Assignment Agreement, and an Agreement of Licensee with Time Brokers, embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

29. Brokers. Neither Buyer nor Seller nor any person acting on behalf of Buyer or Seller has agreed to pay any commission or finder's fee in connection with this Agreement, other than to Randall E. Jeffrey, Jr., of The Jeffrey Group, Inc., a Florida Corporation, whom Buyer and Seller acknowledge has represented Buyer. Buyer and Seller agree that the payment at Closing of the brokerage commission due Randall E. Jeffrey, Jr., of The Jeffrey Group, Inc., shall be the sole responsibility of Buyer.

30. Further Actions. After the Closing Date, Seller shall execute and deliver such other certificates, agreements, conveyances, and other documents, and take such other action, as may be reasonably requested by Buyer in order to transfer and assign to, and vest in, Buyer the Assets pursuant to the terms of this Agreement.

31. No Reversionary Interest. The parties expressly agree, pursuant to §73.1150 of the FCC Rules, that Seller does not retain any right to reassignment in the future of any of the FCC licenses transferred pursuant to this Agreement or to operate or use the facilities of the Station for any period beyond the Closing Date.

32. Conflict with LMA and /or Partnership Interest Assignment Agreement. The provisions of this Agreement are generally modified to amend the parties' respective liabilities, obligations, agreements, covenants, responsibilities and warranties hereunder to the extent that such would otherwise be inconsistent with the LMA. If any terms of this Agreement conflict with the terms of the Partnership Interest Assignment Agreement, the terms of the Partnership Interest Assignment Agreement shall control.

33. Binding Effect and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns. Neither this Agreement nor any obligation hereunder shall be assignable except with the prior written consent of the other party, which may be withheld for any reason.

Kindly sign where indicated below to indicate your acceptance of this Agreement with the terms set forth above.

Mr. William J. Brennan, Jr.
February 27, 2004
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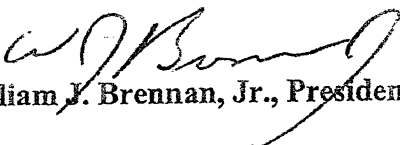
Sincerely,

BLUEWATER BROADCASTING COMPANY,
LLC, a Florida limited liability company


By: 
Richard Pestrichelli, Manager

27th The foregoing reflects our understanding and agreement as outlined above this
day of February, 2004.

DEEP SOUTH BROADCASTING COMPANY
an Alabama corporation

By: 
William J. Brennan, Jr., President

SEVEN LEASING, L.L.C.
an Alabama limited liability company

By: 
Richard Grey Brennan, Manager

List of Exhibits

List of Exhibits

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