

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of December 20, 2010, by and among (i) Entercom San Francisco, LLC, a Delaware limited liability company ("Entercom") and Entercom San Francisco License, LLC, a Delaware limited liability company ("Entercom License" and together with Entercom, the "Buyer"), (ii) Citicasters Co., an Ohio corporation ("Citicasters") and Citicasters Licenses, Inc., a Texas corporation ("Citicasters License" and together with Citicasters, the "Seller"), and (iii) Aloha Station Trust LLC, a Delaware limited liability company (the "Trustee") in its capacity as trustee of the Aloha Station Trust (the "Trust").

Recitals

A. Subject to the Trust, Seller owns and operates the following radio broadcast station (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC");

KUFX(FM), San Jose, California (Facility ID 65415)

B. The Station is subject to the Trust pursuant to a Trust Agreement between the Trustee and an affiliate of Seller (the "Trust Agreement").

C. Pursuant to the terms of this Agreement and subject to FCC consent and the other 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, properties, interests and rights of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Station (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 Station (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller's equipment, electrical devices, transmitters, antennas, cables, tools, hardware, towers, vehicles, furniture, fixtures, spare parts, office materials and supplies,

and other tangible personal property of every kind and description that are used or held for use in the operation of the Station, 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 accordance with Article 4 (the "Tangible Personal Property");

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

(d) (i) all agreements for the sale of advertising time on the Station entered into in the ordinary course of business, (ii) the contracts, agreements and leases listed on *Schedule 1.1(d)*, (iii) all of the other contracts, agreements and leases existing on the date of this Agreement and entered into in the ordinary course of the Station's business that are not listed on *Schedule 1.1(d)* and do not exceed the limitation set forth in Section 4.1(h), and (iv) all contracts, agreements and leases made between the date hereof and Closing in accordance with Section 4.1(h) (collectively, the "Station Contracts");

(e) all of Seller's rights in and to the Station's call letters and Seller's rights in and to the registered and unregistered trademarks, trade names, service marks, goodwill, internet domain names, Internet URLs, any locally-created Internet website content that is owned by Seller and used solely in the operation of the Station (but all other Internet website content is an Excluded Asset, including without limitation any licensed content, any other third-party content, any national content, and any other content used by one or more other radio stations), copyrights, programs and programming material, jingles, slogans, logos, and other intangible property which are used or held for use in the operation of the Station, including without limitation those listed on *Schedule 1.1(e)* (the "Intangible Property");

(f) any listener database used or held for use in the operation of the Station; provided, however, that Buyer shall use such database consistent with any applicable reasonable privacy policies of general applicability which are not materially different from Seller's terms of use set forth on the Station's website; and

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

The Station Assets shall be transferred to Buyer free and clear of liens, claims 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 Station (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 not exclusive to the operation of the Station (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 Station, and all records not relating to the operation of the Station;

(e) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;

(f) all Employee Plans (as defined below) and the assets thereof, if any, maintained by Seller;

(g) all employment agreements other than employment agreements listed on *Schedule 1.1(d)* for Transferred Employees (as defined in Section 5.7(c));

(h) the Station’s accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to the earlier of: (i) the date that the LMA (defined below) commences (the “LMA Commencement Date”) or (ii) the Effective Time (defined below), or otherwise arising during or attributable to any period prior to the earlier of the LMA Commencement Date or the Effective Time (the “A/R”);

(i) any non-transferable shrinkwrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Station;

(j) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Station and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time;

(k) 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;

(l) computers and other similar assets and any other operating systems and related assets that are used in the operation of multiple stations or other business units, except for any such items that are specifically set forth as included in the Station Assets on the Schedules hereto;

(m) all assets used or held for use in the operation of any other radio station owned or operated by Seller or an affiliate of Seller, including without limitation any shared towers and equipment, except for the Station's studio site and any such items that are specifically set forth as included in the Station Assets on the Schedules hereto;

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

(o) any agreement with Cornerstone Research, Inc. for the XTrends service for the Station;

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

(q) the assets listed on *Schedule 1.2*.

For the avoidance of doubt, except for agreements for the sale of advertising time entered into in the ordinary course of business consistent with past practices, to the extent any Station Contract: (i) is not set forth on *Schedule 1.1(c)* or *Schedule 1.1(d)* or (ii) exceeds the limitations set forth in Section 4.1(h), such Station Contract shall be an Excluded Asset unless Buyer elects, in writing, to assume such contract.

1.3 Shared Contracts.

(a) Some of the Station Contracts may be used in the operation of multiple stations or other business units (the "Shared Contracts"). Except as provided by *Schedule 1.1(d)*, 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 in accordance with the following equitable allocation principles:

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

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

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

(b) With respect to each such contract, the parties shall cooperate with each other and each contract counterparty 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 that by the terms of the applicable contract are not transferable. Completion of documentation of any such allocation is not a condition to Closing.

1.4 Assumption of Obligations. On the Closing Date (defined below), Buyer shall enter into any new contracts required by *Schedule 1.1(d)* or *Schedule 1.1(e)* or otherwise required by this Agreement and 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 and except as provided in the LMA, 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 the aggregate sum of Nine Million Dollars (\$9,000,000) subject to adjustment pursuant to Section 1.7 (the “Purchase Price”) by wire transfers of immediately available funds pursuant to wire instructions that Seller shall provide in writing to Buyer and the Escrow Agent.

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 Three Hundred Fifty Thousand Dollars (\$1,350,000) (the “Deposit”) with Deutsche Bank Trust Company Americas (the “Escrow Agent”) pursuant to the Escrow Agreement (the “Escrow Agreement”) of even date herewith among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by Seller pursuant to Section 10.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller. If this Agreement is otherwise terminated pursuant to its terms, 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 unless contested by a party in good faith in writing within five (5) business days of a disbursement request, in which event the Deposit shall remain with the Escrow Agent until the parties’ dispute is resolved. 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) Except as provided in the LMA, all prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Station 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 the 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 Station’s deposits and prepaid expenses to the extent they inure to Buyer’s benefit. Sales commissions related to the sale of advertisements broadcast on the Station prior to Closing or the LMA Commencement Date, as applicable, shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Station after Closing or the LMA Commencement Date, as applicable, shall be the responsibility of Buyer. All employee performance incentives set forth in employment agreements or annual compensation plans for Transferred Employees (defined below) shall be prorated between Buyer and Seller for the incentive period during which the Closing or the LMA

Commencement Date, as applicable, occurs, as applicable. Vacation and sick leave shall be subject to proration in accordance with Section 5.7(d). Prorations and adjustments shall be made at Closing to the extent practicable. As to those prorations and adjustments not made at Closing, an adjustment and proration shall be made within ninety (90) calendar days after Closing.

(b) With respect to trade, barter or similar agreements for the sale of time for goods or services assumed by Buyer, if at Closing or the LMA Commencement Date, as applicable, the Station has an aggregate negative barter balance (*i.e.*, the amount by which the value of air time to be provided by the Station after Closing or the LMA Commencement Date, as applicable, exceeds the fair market value of corresponding goods and services), there shall be no proration or adjustment, unless the aggregate negative barter balance of the Station exceeds \$25,000, in which event such excess shall be treated as prepaid time sales of Seller, and adjusted for as a proration in the Buyer's favor. In determining barter balances, the value of air time shall be based upon the Seller's rates as of Closing or the LMA Commencement Date, as applicable, and corresponding goods and services shall include those to be received by the Station after Closing or the LMA Commencement Date, as applicable, *plus* those received by the Station before Closing or the LMA Commencement Date, as applicable, to the extent conveyed by Seller to Buyer as part of the Station Assets.

1.8 Allocation. Each of Buyer and Seller shall allocate the Purchase Price for tax purposes in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code") and file a tax return reflecting such allocation as and when required under the Code. The parties agree and acknowledge that Buyer intends to engage, at Buyer's expense, Bond & Pecaro (or another firm) to appraise the Station Assets. To that end, Seller shall reasonably cooperate with such appraiser in facilitating such appraisal and shall provide copies of information and material with respect to the Station Assets as reasonably requested by such appraiser (and Buyer shall reimburse any out-of-pocket costs incurred by Seller).

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 tenth business day after the date the FCC Consent (defined below) is granted (or if required by Sections 6.3 and 7.3, has become a Final Order) or on such other day after such consent as Buyer and Seller may mutually agree, subject to Section 5.7 and the satisfaction or waiver of the conditions set forth in Article 6 or Article 7 below. The date on which the Closing is to occur is referred to herein as the "Closing Date." For purposes of this Agreement, the term "Final Order" means action by the FCC (including by the FCC staff under delegated authority) consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the normal time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired or otherwise terminated. Notwithstanding anything in this Agreement to the contrary, Seller may elect to delay Closing until the consummation of its sale of KSJO (defined below) for up to sixty (60) days.

1.10 FCC Consent.

(a) On or before January 7, 2011, Buyer and the Trustee shall file an application with the FCC (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses to Buyer. 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, Seller and the Trustee shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) Buyer and Seller (and the Trustee) shall notify each other of all documents filed with, submitted to, or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller (and the Trustee) 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.

1.11 Trust. Notwithstanding anything to the contrary set forth in this Agreement, the parties acknowledge and agree that the Station is subject to the Trust. Pursuant to the Trust Agreement, the Trust is a grantor trust under Sections 671 through 678 of the Internal Revenue Code with the Station Assets being assets of Seller for tax and accounting purposes. However, the Station Assets are subject to the Trust created by the Trust Agreement. Accordingly, in its capacity as Trustee of the Aloha Station Trust, the Trustee approves this Agreement and agrees that upon Closing the Trust shall terminate with respect to the Station and the Station Assets without need for further action by any party. At Closing, the Trustee shall also execute and deliver to Buyer an Assignment of FCC Licenses (which during the Trust period show the Trustee's rather than the Seller's interest). The Trustee is acting in its capacity as Trustee of the Aloha Station Trust only, and shall have no liability in its individual capacity under or in connection with this Agreement. Buyer's sole recourse under or in connection with this Agreement shall be against Seller and the Station Assets. Any failure by the Trustee to comply with the terms of this Agreement shall be deemed a failure by Seller to comply with the terms of this Agreement.

1.12 Studio Use. If requested by Seller, commencing upon Closing and continuing until Seller's consummation of the sale of KSJO(FM), San Jose, California ("KSJO"), subject to any necessary landlord consent, Buyer shall provide Seller with access to and the use of the Station's studio and office facilities located at 1420 Koll Circle, San Jose, California (the "Studio Site") for the business and operation of KSJO. Seller may end such use, at any time, upon thirty days notice to Buyer. Buyer may end such use, at any time effective at least one year from the Closing Date, upon thirty days notice to Seller. Such use shall be rent-free for sixty (60) days after the Closing Date, and thereafter, Seller shall reimburse Buyer for one-half of the rent paid by Buyer under the lease for the Studio Site. When on Buyer's premises, Seller shall not act contrary to the terms of the lease for the Studio Site or permit to exist any lien, claim or encumbrance on the premises. Neither party shall interfere with the operation of the other's station operated from the Studio Site during such shared use period.

1.13 LMA. Seller and Buyer are, simultaneously with the execution and delivery of this Agreement, entering into a Local Programming and Marketing Agreement for the Station (the "LMA"), pursuant to which, commencing on the LMA Commencement Date, Buyer shall

provide programming on the Station pursuant to the terms and conditions contained therein, pending the Closing of the transactions contemplated by this Agreement.

ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer, subject to Section 1.11:

2.1 Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and, if required, 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 executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. Except for the FCC Consent 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 or thereby, does not conflict with, violate, result in a breach of the terms and conditions of, or, with or without the giving of notice or passage of time, result in an event of default under, or cause the loss of any material right or creation of any Lien (other than a Permitted Lien) under, any organizational documents of Seller, the Trust Agreement or any lease, contract or agreement, including Station Contracts, to which Seller is a party or is bound or to which its properties are subject, or any law, judgment, order, or decree to which Seller is subject, or 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.

The Trust 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 Station. 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 or any court or other governmental authority to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). Except as set forth on *Schedule 1.1(a)*, there is not issued or outstanding, by or before the FCC or any court or

other governmental authority, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Station or against Seller or the Trustee with respect to the Station that could result in any such action. The Station is 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. All material reports and filings required to be filed with the FCC by Seller with respect to the Station have been timely filed. All such reports and filings are accurate and complete in all material respects. To the knowledge of Seller, (i) the Station is not causing interference in violation of FCC rules to the transmissions of any other broadcast station or communications facility in any material respect, and (ii) no broadcast station or communications facility is causing interference in violation of FCC rules to the Station’s transmissions in any material respect.

2.5 Taxes. Seller has, in respect of the Station’s business and the Station Assets, filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes which have become due. To Seller’s knowledge, there are no liens for taxes upon any of the Station Assets, except for Permitted Liens. All taxes required to have been withheld, collected, deposited or paid, as the case may be, relating to any of the Station Assets or employees of the Station, including the Transferred Employees, have been withheld, collected, deposited or paid in the manner prescribed by applicable law in all material respects.

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.

2.7 Real Property. *Schedule 1.1(c)* includes a description of each lease of Real Property or similar agreement included in the Station Contracts (the “Real Property Leases”). To Seller’s knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority. There is no owned real property included in the Station Assets. The Real Property includes reasonable access to the Station’s facilities consistent with past practices.

2.8 Contracts. *Schedule 1.1(d)* contains a list of all contracts that are used in the operation of the Station 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 full force and effect and is binding upon and enforceable against 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)*, to Seller's knowledge: (i) no hazardous or toxic substance or waste regulated under any applicable Environmental Law has been generated, stored, transported or released on, in, or from the Real Property included in the Station Assets in violation in any material respect of any applicable Environmental Law, and (ii) Seller has complied in all material respects with all Environmental Laws applicable to the Station. For purposes of this Agreement, the term "Environmental Laws" means those environmental, health or safety laws and regulations applicable to the Station's activities at the Real Property in effect.

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)*, Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

2.11 Employees. Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Station's business and employees, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining. There is no unfair labor practice charge or complaint against Seller in respect of the Station's 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 Station's business. 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.

2.12 Employee Benefits. There are no liens arising under ERISA or the Code with respect to the operation, termination, restoration or funding of any Employee Plan (as defined below) or arising in connection with any excise tax or penalty tax with respect to any Employee Plan. With respect to the Employee Plans, no event has occurred and, to the knowledge of Seller, there exists no condition or set of circumstances in connection with which Buyer could reasonably be expected to be subject to any liability under the terms of, or with respect to, such Employee Plans, or under ERISA, the Code or any other applicable law with respect to such Employee Plans. During the period of the Station's ownership by Seller, the Station employees have not been subject to a multi-employer plan (as defined in Section 3(37) of ERISA).

For purposes of this Agreement:

(a) "Employee Plan" shall mean (i) each severance, termination, pension, retirement, profit sharing, bonus, incentive, compensation, deferred compensation, retention and change in control plan, program, arrangement, agreement or commitment, (ii) each stock option, restricted stock or other equity-based plan, program, arrangement, agreement or commitment, (iii) each savings, life, health, disability, accident, medical, insurance, vacation and other

material fringe benefit program, arrangement, agreement or commitment (whether formal or informal), including in each case, each “employee benefit plan” as defined in Section 3(3) of ERISA under which any employee, consultant or director of the Station has any right to receive compensation or benefits.

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

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

2.14 Compliance with Law. Except as set forth on *Schedule 1.1(a)*, (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 Station or Station Assets, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Station or Station Assets, and (ii) to Seller’s knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Station or Station Assets except those affecting the industry generally.

2.15 Litigation. Except as set forth on *Schedule 1.1(a)*, there is no legal or administrative action, suit or proceeding pending or, to Seller’s knowledge, threatened against Seller in respect of the Station or Station Assets that will subject Buyer to liability, that challenges or seeks to prevent, enjoin, materially alter or materially delay the transactions contemplated by this Agreement or that 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 Station or the Station Assets of any court or governmental authority which would have a material adverse effect on the condition of the Station 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.

2.16 Financial Statements. Seller has provided to Buyer copies of its statements of operations for the Station for the years ended December 31, 2008 and December 31, 2009 and for the year to date through October 31, 2010 (being the GAAP versions and not the non-GAAP versions made available to Buyer). 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 Station 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 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 Station as operated by Seller for the respective periods covered thereby. Between October 31, 2010 and the date of this Agreement, the Station has been operated in all material respects in the ordinary course of business consistent with past practices (for avoidance of doubt, any expense reductions

made consistent with Seller's practices for similarly situated stations shall be deemed in the ordinary course of business consistent with past practices).

2.17 No Undisclosed Liabilities. There are no liabilities or obligations of Seller with respect to the Station that will be binding upon Buyer after the Effective Time other than the Assumed Obligations and other than pursuant to the prorations under Section 1.7.

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

2.19 No Finders. No broker, finder or other person or entity is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Seller Ancillary Agreements or the transactions contemplated hereby or thereby, respectively, as a result of any agreements or action of Seller or any party acting on Seller's behalf, except for Media Venture Partners. Payment of any fee due Media Venture Partners shall be Seller's sole cost and expense.

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 if such qualification is required. 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 executed and delivered 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 FCC Consent, 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 or thereby, does not conflict with, violate, result in a breach of the terms and conditions of, or, with or without the giving of notice or passage of time, result in an event of default under, or cause the loss of any material right or creation of any Lien under, any organizational documents of Buyer, any lease, contract or agreement to which Buyer is a party or is bound or to which its properties are subject, 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. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the rules, regulations and policies of the FCC and to enter into the LMA and assume the role of programmer thereunder. 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 Station or as the programmer under the LMA. No waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained. There are no matters which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

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

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, subject to the Trust, and subject to the LMA (as applicable):

(a) operate the Station in the ordinary course of business consistent with past practice (for avoidance of doubt, any expense reductions made consistent with Seller's past practices for similarly situated stations shall be deemed in the ordinary course of business consistent with past practice) and in all material respects in accordance with the Communications Act and FCC rules and regulations and with all other applicable laws, regulations, rules and orders, and make all material filings with the FCC required to be made under the Communications Act and the rules and regulations of the FCC with respect to the Station, and upon Buyer's request, deliver copies of such material filings to Buyer;

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

(c) not materially change the format of the Station;

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

(e) maintain the Tangible Personal Property in the ordinary course of business consistent with past practice;

(f) 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 unreasonably interferes with the operation of the Station or other stations owned by Seller or its affiliates;

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

(h) 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 consistent with past practice that are terminable on ninety (90) 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 \$100,000 (in the aggregate for all such new contracts).

For purposes of calculating the amount of any 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.

(i) notify Buyer promptly if the Station is off the air for a continuous period of twelve (12) hours or more or the Station's normal broadcast transmissions are interrupted or impaired in any material respect for a continuous period of 48 hours or more; and

(j) use its commercially reasonable efforts to cause all Liens, other than Permitted Liens, on the Station Assets to be released in full (to the extent relating to the Station Assets) at or prior to Closing.

ARTICLE 5: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows, subject to the Trust:

5.1 Confidentiality. Seller or an affiliate of Seller and Buyer or an affiliate of Buyer are parties to a nondisclosure agreement (the "NDA") with respect to Seller and its stations. To the extent not already a direct party thereto, Buyer and Seller hereby assume the NDA and agree to be bound by the provisions thereof. Without limiting the terms of the NDA, subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including without limitation all financial information 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: (i) to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other; (ii) as necessary to enforce rights under or in connection with this Agreement; or (iii) as necessary in any filing with the FCC. The parties acknowledge that this Agreement and the terms hereof will be filed with the FCC Application and thereby become public.

5.3 Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Station prior to Closing shall remain the responsibility of 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; 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 the 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. Notwithstanding anything herein to the contrary, if immediately prior to Closing there exists a Broadcast Interruption in excess of 12 hours, then Buyer may postpone Closing until the date ten (10) 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 ground lease included in the Station Assets, Buyer may at its expense conduct Phase I environmental assessments (each a “Phase I”) prior to Closing, provided that such assessments are conducted during normal business hours upon reasonable prior notice (and subject to landlord consent if necessary), but completion of such assessments (or the results thereof) is not a condition to Closing.

(b) If any Phase I or any item set forth on *Schedule 1.1(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; 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 party shall have the right to terminate this Agreement upon written notice to the other party.

5.6 Consents.

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any 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, but no such consents or estoppel certificates are conditions to Closing.

(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 lists showing employee positions and certain compensation information for employees of the Station who are available to Buyer for hire: (i) on the earlier of the LMA Commencement Date or the Closing Date and (ii) on the later of the Closing Date or the date of Seller’s consummation of the sale of KSJO (as applicable to each Transferred Employee, a “Hire Date”). Except with respect to the employment agreements

included in the Station Contracts, Buyer may, but is not obligated to, offer employment to any or all of such employees on such terms and conditions as Buyer may determine, in its sole discretion, subject to the terms of this Section 5.7. Following execution of this Agreement, Seller shall make the employees on such lists reasonably available to Buyer during normal business hours to discuss potential employment with Buyer. With respect to each such employee, within the first to occur of (i) thirty (30) calendar days after the date of this Agreement or (ii) no less than ten (10) business days prior to the commencement of the LMA (unless otherwise agreed by Buyer and Seller), Buyer shall notify Seller in writing whether it will offer employment to such employee, and if so the terms thereof in sufficient detail for Seller to determine if the offer is for comparable employment (including position, compensation, hours and work location). Within thirty (30) calendar days after the applicable Hire Date, Buyer shall give Seller written notice identifying which employees accepted such offers. With respect to Transferred Employees, employment with the Seller terminates and employment with the Buyer begins at the applicable Hire Date.

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

(c) With respect to Seller’s employees at the Station hired by Buyer (“Transferred Employees”), Seller shall be responsible for all compensation and benefits arising prior to the applicable Hire Date (in accordance with Seller’s employment terms), and Buyer shall be responsible for all compensation and benefits arising after the applicable Hire Date (in accordance with Buyer’s employment terms), including without limitation COBRA obligations with respect to full-time Transferred Employees covered under Buyer’s benefit plans. Without limiting the generality of the foregoing, the Retained Obligations shall include any and all liabilities arising under all Employee Plans, whether arising under contract, law, regulation or otherwise (other than COBRA obligations with respect to full-time Transferred Employees covered under Buyer’s benefit plans). Seller shall also remain solely liable for compensation, benefits and other employment-related liabilities (if any) to or in connection with all of its employees who do not become Transferred Employees.

(d) With respect to each Transferred Employee, Seller will request employee consent to the transfer of accrued unused vacation from Seller to Buyer. With respect to each employee who gives such consent, Buyer shall grant credit to such employee for all unused vacation accrued as of the applicable Hire Date 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). With respect to each such employee who does not give such consent, Buyer is not obligated to grant such credit, but as a part of the prorations under Section 1.7, Buyer shall reimburse Seller for any accrued vacation payment required by applicable law that is attributable to the calendar year in which the applicable Hire Date occurs. Except as may be provided by this Section 5.7(d), there shall be no proration or adjustment under Section 1.7 of this Agreement for employee leave accrued in the calendar year in which the applicable Hire Date occurs, but the prorations shall include an adjustment for employee leave (if any) accrued in prior calendar year(s).

(e) 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 the applicable Hire Date (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.

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

(g) 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 the applicable Hire Date, 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 (i) compliance with applicable law; (ii) the reasonable requirements of Buyer’s 401(k) plan; (iii) the reasonable requirements of Buyer’s 401(k) plan administrator; and (iv) Buyer’s reasonable determination that any such rollover will not adversely affect the tax-qualified status of Buyer’s 401(k) plan.

5.8 Accounts Receivable. Buyer shall not collect any A/R, and Buyer shall promptly pay over to Seller any A/R it receives, without offset.

5.9 1031 Exchange.

(a) By Seller. To facilitate a like-kind exchange under Section 1031 of the Code, Seller may assign its rights under this Agreement (in whole or in part) to a “qualified intermediary” under section 1.1031(k)-1(g)(4) of the treasury regulations (but such assignment

shall not relieve Seller of its obligations under this Agreement) and any such qualified intermediary may re-assign to Seller; provided that (i) any such assignment does not materially delay processing of the FCC Application, grant of the FCC Consent or Closing, (ii) Buyer shall not incur any costs (including attorneys fees) in connection with such assignment (other than costs reimbursed by Seller), and (iv) neither Buyer, nor any of its representatives, is making any representations concerning the tax consequences of such a transaction. If Seller gives notice of such assignment, Buyer shall provide Seller with a written acknowledgment of such notice prior to Closing and pay the Purchase Price (or such portion thereof as is designated in writing by the qualified intermediary) to or on behalf of the qualified intermediary at Closing and otherwise reasonably cooperate therewith at no cost to Buyer.

(b) By Buyer. To facilitate a like-kind exchange under Section 1031 of the Code, Buyer may assign its rights under this Agreement (in whole or in part) to a “qualified intermediary” under section 1.1031(k)-1(g)(4) of the treasury regulations (but such assignment shall not relieve Buyer of its obligations under this Agreement) and any such qualified intermediary may re-assign to Buyer; provided that (i) any such assignment does not materially delay processing of the FCC Application, grant of the FCC Consent or Closing, (ii) Seller shall not incur any costs (including attorneys fees) in connection with such assignment (other than costs reimbursed by Buyer), and (iv) neither Seller, nor any of its representatives, is making any representations concerning the tax consequences of such a transaction. 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.

5.10 Real Property.

(a) With respect to the ground lease included in the Station Assets, Buyer may, at its expense, obtain a customary title commitment and current survey prior to Closing. Seller shall provide Buyer access to such site to perform the survey, provided that such survey is conducted during normal business hours upon reasonable prior notice to Seller.

(b) If any such title commitment or survey discloses either that (i) any facilities or improvements of others encroach upon the ground leased property, or (ii) any facilities or improvements at the property that are owned by Seller encroach upon adjacent real property, in either case in any material respect (in either case, an “Encroachment”), then Buyer shall provide a copy thereof to Seller and, except as set forth below:

(i) Seller shall remediate such Encroachment in all material respects;
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 Encroachment in all material respects after Closing (and Buyer will provide access and any other reasonable assistance requested with respect to such obligation).

(c) Notwithstanding anything herein to the contrary, if the reasonably estimated cost to remedy any such Encroachments in the aggregate exceeds \$100,000, then either party shall have the right to terminate this Agreement upon written notice to the other party.

5.11 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 Station, whether or not any party has notified the other of a claim for indemnification with respect to such matter; provided, however that Seller shall reimburse Buyer for any out-of-pocket costs (including reasonable attorneys' fees, if any) reasonably incurred by Buyer as a result of its compliance with this Section. Without limiting the generality of the foregoing, subject to reimbursement of such costs, if any, Buyer shall make available its employees to give depositions or testimony and shall preserve and 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 (in each case without duplication of materiality qualifications or material adverse effect qualifications) except for changes permitted or contemplated by the terms of this Agreement.

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

(c) 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 6.1(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 (i) shall have been obtained and (ii) shall have become a Final Order if a petition shall have been timely filed with the FCC by any third party that pertains to or becomes associated with the FCC Application and is reasonably likely to prevent the FCC Consent from becoming a Final Order.

6.4 Deliveries. Buyer shall have complied with each of its obligations set forth in Section 8.2.

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 (in each case without duplication of materiality qualifications or material adverse effect qualifications) except for changes permitted or contemplated by the terms of this Agreement.

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

(c) 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 7.1 (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 (i) shall have been obtained and (ii) shall have become a Final Order if a petition shall have been timely filed with the FCC by any third party that pertains to or becomes associated with the FCC Application and is reasonably likely to prevent the FCC Consent from becoming a Final Order.

7.4 Deliveries. Seller shall have complied with each of its obligations set forth in Section 8.1.

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 Citicasters' and Citicasters License's jurisdictions of formation;

(ii) a certificate executed by each Seller entity's secretary or assistant secretary confirming that the officers executing this Agreement and the Seller Ancillary Agreements are authorized to execute such documents;

(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 with respect to the Station Contracts;
- (vi) an assignment and assumption of leases with respect to the Real Property Leases;
- (vii) an assignment of marks with respect to the Station's registered marks listed on *Schedule 1.1(e)*;
- (viii) domain name transfers assigning the Station's domain names listed on *Schedule 1.1(e)* from Seller to Buyer following customary procedures of the domain name administrator;
- (ix) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property from Seller to Buyer;
- (x) a bill of sale conveying the other Station Assets from Seller to Buyer;
- (xi) any landlord estoppel certificates and consents to assign the Station Contracts obtained by Seller; and
- (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.

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 Entercom's and Entercom License's jurisdiction of formation;
- (iii) a certificate executed by each Buyer entity's secretary or assistant secretary certifying the due authorization of this Agreement and the Buyer Ancillary Agreements, together with copies of Buyer's authorizing resolutions;
- (iv) the certificate described in Section 6.1(c);
- (v) an assignment and assumption of contracts with respect to the Station Contracts;
- (vi) an assignment and assumption of leases with respect to the Real Property Leases;
- (vii) domain name transfers assuming the Station's domain names listed on *Schedule 1.1(e)* from Seller to Buyer following customary procedures of the domain name administrator;

(viii) any new agreements required by the Schedules to this Agreement or otherwise required by this Agreement; 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 eighteen (18) months from the Closing Date whereupon they shall expire and be of no further force or effect, except (i) those under Section 2.5 (Taxes), Section 2.9 (Environmental), and those under Sections 2.6, 2.7 and 2.10 solely with respect to title, all of which shall survive until sixty (60) days after the expiration of any applicable statute of limitations, and (ii) that if within such applicable period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the resolution of such claim. The covenants and agreements in this Agreement shall survive Closing until performed pursuant to their terms.

9.2 Indemnification.

(a) Subject to Section 9.2(b), from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities, taxes 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 Station 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 \$100,000, after which such threshold amount shall be included in, not excluded from, any calculation of Damages, and (ii) the maximum aggregate liability of Seller under Section 9.2(a) shall be an amount equal to 20% of the Purchase Price; provided, however, that such indemnification basket and cap shall not apply to any breach by Seller of its representations and warranties made under Sections 2.1, 2.2, 2.3, 2.19 or the first sentence of Section 2.15 of this Agreement.

(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 Station after the Effective Time.

9.3 Procedures.

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

(b) The indemnifying party shall have the right to undertake, at its expense, the defense or opposition to such Claim with counsel selected by it unless the indemnified party reasonably concludes, based on the advice of counsel, that the indemnified party and the indemnifying party have a material conflict of interest with respect to such Claim, in which case the indemnified party may employ separate counsel at the indemnifying party’s reasonable expense; provided, however, that in no event shall the indemnifying party be responsible for more than one counsel for all of the indemnified parties (except to the extent local counsel is necessary or advisable for the defense or opposition of such Claim). In the event that the indemnifying party does not undertake such defense or opposition within thirty (30) days following receipt of notice of a Claim, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party’s cost (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) subject to Section 9.3(b), the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

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

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

party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim; and

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

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

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 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 date twelve (12) months after the date of this Agreement; or
- (e) as provided by Section 5.5(c).

10.2 Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date 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 such breach or default is not monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under Section 1.9, 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. Notwithstanding the foregoing, if prior to Closing the condition described in Section 10.1(c) exists and remains uncured upon expiration of the cure period set forth therein, then Seller's sole remedy for Buyer's breach of this Agreement shall be termination of this Agreement and receipt of the liquidated damages amount pursuant to Section 10.5, except for any failure by Buyer to comply with its obligations related to the Deposit or Sections 1.10, 5.1, 5.2 or 5.3, as to which Seller shall be entitled to all available rights and remedies, including without limitation specific performance. Except as set forth in the foregoing sentence, if a party brings an action to enforce specific performance under this Agreement, the other party shall waive the defense that there is an adequate remedy at law. For the avoidance of doubt, Seller shall not be entitled to specific performance requiring the consummation of the acquisition of the Station Assets by Buyer for a breach by Buyer of this Agreement.

10.5 Liquidated Damages. If Seller terminates this Agreement pursuant to Section 10.1(c), then Buyer shall pay Seller on demand an amount equal to 15% of the Purchase Price by wire transfer of immediately available funds (which shall be satisfied by disbursement of the Deposit to Seller under Section 1.6), and such payment shall constitute liquidated damages and the sole remedy of Seller for a breach by Buyer of this Agreement. The parties acknowledge and agree that payment of such amount shall constitute payment of liquidated damages and is not a penalty and that the liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by 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 the request for FCC Consent and any transfer taxes applicable to the sale of assets under this Agreement shall be shared equally by the parties (*i.e.*, paid one-half by Buyer and one-half by Seller). Notwithstanding anything therein to the contrary, Buyer and Seller shall each be responsible for one-half of all fees and expenses of the Escrow Agent under the Escrow 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.

(a) 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.

(b) Seller acknowledges that Buyer's parent, Entercom Communications Corp. ("ETM Parent") is a reporting company under the Exchange Act and that, in connection therewith, ETM Parent may be required to file with the SEC financial statements relating to the Station Assets prepared in accordance with Regulation S-X of the Securities Act of 1933, as amended ("S-X Financials"). Accordingly, Seller will use its commercially reasonable efforts to furnish promptly to ETM Parent any additional information or documents it may reasonably request with respect to the Station Assets which are reasonably necessary for the completion of the S-X Financials that are within its possession or control, and Buyer shall promptly reimburse Seller for any out-of-pocket expenses incurred with respect thereto.

11.3 Assignment. Except as provided by Section 5.9 (1031 Exchange), 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, (iii) Buyer shall remain liable for all of its obligations hereunder, and (iv) Buyer shall be solely responsible for any third party consents necessary in connection therewith (none of which are a condition to Closing). The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

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

if to Seller:

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

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

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

and to:

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

if to Buyer: c/o Entercom Communications Corp.
401 City Ave., Suite 809
Bala Cynwyd, PA 19004
Attention: John C. Donlevie
Facsimile: (610) 660-5641

if to the Trustee: Aloha Station Trust LLC
2810 Thousand Oaks
No. 210
San Antonio, TX 78232
Attention: Jeanette Tully
Facsimile: (210) 491-5918

with a copy (which shall not constitute notice) to: Thompson Hine LLP
1920 N Street, NW, Suite 800
Washington, DC 20036
Attention: Barry Friedman
Facsimile: (202) 331-8330

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 Station, 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 Station's 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 Station.

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

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

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

provisions thereof. Any action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement shall be brought in any state or federal court located in Wilmington, Delaware.

11.10 Attorney Fees. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement, including without limitation any action to enforce this Agreement under Section 10.4, may recover reasonable attorneys' fees and costs from the non-prevailing party.

11.11 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]

13226347

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER:

ENTERCOM SAN FRANCISCO, LLC
ENTERCOM SAN FRANCISCO LICENSE, LLC

By: 
Name: JOHN C. DONLEVIE
Title: EXECUTIVE VICE PRESIDENT

SELLER:

CITICASTERS CO.
CITICASTERS LICENSES, INC.

By: _____
Name:
Title:

As provided by Section 1.11:

TRUSTEE:

ALOHA STATION TRUST, LLC, in its
capacity as Trustee of the Aloha Station Trust

By: _____
Jeanette Tully, its member

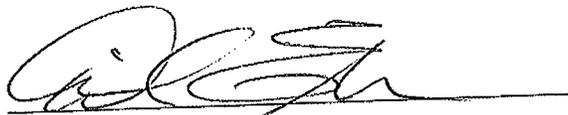
SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: ENTERCOM SAN FRANCISCO, LLC
ENTERCOM SAN FRANCISCO LICENSE, LLC

By: _____
Name:
Title:

SELLER: CITICASTERS CO.
CITICASTERS LICENSES, INC.

By: 
Name: **Dirk Eller**
Title: **Senior Vice President**

As provided by Section 1.11:

TRUSTEE: ALOHA STATION TRUST, LLC, in its
capacity as Trustee of the Aloha Station Trust

By: _____
Jeanette Tully, its member

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: ENTERCOM SAN FRANCISCO, LLC
ENTERCOM SAN FRANCISCO LICENSE, LLC

By: _____
Name:
Title:

SELLER: CITICASTERS CO.
CITICASTERS LICENSES, INC.

By: _____
Name:
Title:

As provided by Section 1.11:

TRUSTEE: ALOHA STATION TRUST, LLC, in its
capacity as Trustee of the Aloha Station Trust

By: Jeanette Tully
Jeanette Tully, its member