

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of May 25, 2004, by and among Clear Channel Broadcasting, Inc., a Nevada corporation ("CCB"), Clear Channel Broadcasting Licenses, Inc., a Nevada corporation ("CCBL"), Capstar Radio Operating Company, a Delaware corporation ("Capstar"), Capstar TX Limited Partnership, a Delaware limited partnership ("Capstar LP") (CCB, CCBL, Capstar and Capstar LP, each a "Seller" and collectively, "Sellers") and Deer Creek Broadcasting, LLC a California limited liability company ("Buyer").

RECITALS

A. Sellers own and operate the following radio broadcast stations (each a "Station" and collectively, the "Stations") pursuant to certain licenses, authorizations and approvals issued by the Federal Communications Commission (the "FCC"):

KPAY (AM), Chico, California
KMXI (FM), Chico, California
KEWE (AM), Oroville, California
KHHZ (FM), Oroville, California
KHSL-FM, Paradise, California

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

C. 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 I

PURCHASE OF ASSETS

1.1. Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Sellers shall assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from Sellers, all right, title and interest of Sellers in and to the following assets, properties, interests and rights (the "Station Assets"):

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

(b) Tangible Personal Property. The fixed and tangible personal property used in the operation of the Stations, including, but not limited to, the physical assets and equipment, leasehold improvements, automobiles, furniture, fixtures, electrical devices, receivers, programming, tapes, towers, transmitters, spare parts, switches and related equipment,

and music libraries listed in *Schedule 1.1(b)*, together with replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Closing Date, and all warranties covering any of the foregoing to the extent transferable by Sellers (collectively, the “Tangible Personal Property”).

(c) Real Property. The real property used or held for use in the operation of the Stations, including any of Sellers’ rights of way, appurtenant easements and improvements located thereon, as listed on *Schedule 1.1(c)* (the “Real Property”).

(d) Contracts. All orders and agreements entered into in the ordinary course of business for the sale of advertising time on the Stations that exist at Closing or at commencement of the LMA (defined below) (as applicable), together with all contracts, agreements, and leases that are listed on *Schedule 1.1(d)*, including without limitation all Real Property Leases (defined below), together with all contracts, agreements, and leases made between the date hereof and Closing in the ordinary course of the Stations’ business and in compliance with Section 4.1(e) below (the “Station Contracts”).

(e) Intangible Property. All of Sellers’ rights in and to the Stations’ call letters and Sellers’ rights in and to the trademarks, trade names, domain names, service marks, franchises, copyrights, and programming material, jingles, slogans, logos, and other intangible property which are used or held for use solely in the operation of the Stations, including without limitation those listed on *Schedule 1.1(e)*, and all goodwill associated therewith (the “Intangible Property”).

(f) Records. The files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including all information and data, all logs and other compliance records required by the FCC to be kept by the Stations, the Stations’ local public files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to the Excluded Assets (defined below).

(g) Permits. All transferable licenses, permits, and other authorizations and rights, other than the FCC Licenses, if any, from any federal, state, local or foreign governmental or administrative agency or commission or court (“Governmental Authority”) to any Seller currently in effect and used in connection with the ownership and operation of the Stations, together with any additions thereto between the date hereof and the Closing Date (collectively, the “Permits”).

(h) Deposits. All deposits and prepaid expenses, to the extent that Sellers receive credit therefor in the proration made under Section 1.6.

The Station Assets shall be transferred to Buyer free and clear of all liens, claims and encumbrances (“Liens”) except for (i) Assumed Obligations (defined below), (ii) liens for taxes not yet due and payable for which Buyer receives a credit pursuant to Section 1.6 to the extent any such taxes relate to the period prior to Closing, and (iii) with respect to the Real Property, such easements, rights of way, building and use restrictions and other similar exceptions that do

not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Stations (collectively, "Permitted Liens").

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

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

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

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

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

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

(f) all (i) pension, retirement, savings, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof; (ii) stock option, bonus or other incentive plans (except as set forth in any employment agreements that are included in the Station Contracts with respect to bonus or other incentive plans), severance plans, health, group insurance or other welfare plans applicable to persons employed by Sellers in connection with the operation of the Stations, and (iii) other employee benefit plans or arrangements and the assets thereof, if any, maintained by Seller;

(g) all accounts receivable of the Stations existing as of the Closing Date or at commencement of the LMA (as applicable) (the "Receivables"); and

(h) any operating systems, computer software and programs, and other similar Intangible Property used in the operation of the Stations that are not transferable or are used or held for use in whole or in part in the operation of any other radio or television station owned or operated by any Seller or by any individual, organization or entity who controls, is controlled by, or is under common control with (an "Affiliate") of any Seller.

With respect to any marks or similar Intangible Property used in the operation of the Stations that are used in whole or in part in the operation of any other station, the Station Assets include only the right to use such items in the manner used by Sellers at the applicable Station on a basis exclusive in the market but non-exclusive in that no right is granted to Buyer with respect to other markets (some of which may overlap), and such right (i) is limited to the extent of

Sellers' transferable rights, (ii) may not be assigned by Buyer except to a transferee of the applicable Station who assumes Buyer's obligations in respect thereof (and any such assignment shall not relieve Buyer of any obligation or liability), (iii) may be used by Buyer only in a manner that does not diminish the quality of such items, and only without violating law or any third party rights (and Buyer shall be solely responsible for such use and the related services), and (iv) shall terminate for noncompliance or non-use, but otherwise shall be coterminous with Sellers' rights. If any party requests further documentation of such rights, then upon Closing the parties shall enter into a separate license agreement that provides such rights in accordance with this Agreement.

1.3. Assumption of Obligations. Subject to the terms and conditions hereof, on the Closing Date (defined below), Buyer shall assume the obligations of Sellers arising and relating to the period after Closing under the Station Contracts (the "Assumed Obligations"). Except as provided in the LMA, Buyer does not assume or agree to discharge or perform, and shall not be deemed by reason of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, to have assumed or to have agreed to discharge or perform, and Sellers shall remain liable for, all liabilities, obligations or commitments of Sellers other than the Assumed Obligations (the "Retained Liabilities").

1.4. Purchase Price. In consideration for the sale of the Station Assets to Buyer, Buyer shall pay to Sellers, in accordance with instructions provided by Sellers to Buyer, by wire transfer of immediately available funds, the sum of Five Million One Hundred Thousand Dollars (\$5,100,000), subject to adjustment pursuant to Section 1.6 (the "Purchase Price"). The Purchase Price shall be paid in full at Closing (defined below).

1.5. Deposit. On the date of this Agreement, Buyer shall deposit an amount equal to Two Hundred Fifty-Five Thousand Dollars (\$255,000) (the "Deposit") with Bank of America (the "Escrow Agent") pursuant to the Escrow Agreement (the "Escrow Agreement") of even date herewith among Buyer, Sellers and the Escrow Agent. At Closing, the Deposit shall be disbursed to Sellers and applied against the Purchase Price and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by Sellers pursuant to Sections 10.1(c), (d), or (e), or by Buyer pursuant to Section 10.1(b) at a time when this Agreement is terminable by Sellers pursuant to Section 10.1(e), the Deposit and any interest accrued thereon shall be disbursed to Sellers (but such disbursement shall not limit Sellers' right to recover any damages that arise from a breach or default by Buyer under this Agreement). If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Deposit on the date hereof constitutes a material default as to which no cure period shall apply, entitling Sellers to immediately terminate this Agreement.

1.6. Prorations and Adjustments. Except as otherwise provided herein, subject to the LMA, all deposits, reserves and prepaid and deferred income and expenses arising from the conduct of the business and operation of the Stations shall be prorated in accordance with generally accepted accounting principles, consistently applied, as of 11:59 p.m. on the date immediately preceding the Closing Date (the "Transfer Time"). Such prorations shall include,

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

(a) there shall be no adjustment for, and Sellers shall remain solely liable with respect to, any Retained Liabilities, including any contracts that are not Station Contracts; and

(b) no adjustment or proration to the Purchase Price shall be made in favor of Sellers or Buyer for the amount, if any, by which the value of the goods or services received by Buyer (whether by conveyance at Closing or receipt after Closing) under trade and barter exceeds, or is less than, the value of any advertising time remaining to be run by such Station as of the Transfer Time.

1.7. Allocation. At Closing, or in connection with the final adjustment after Closing under Section 1.6, Sellers and Buyer shall allocate the value of the assets comprising the Station Assets in accordance with their respective fair market values. The parties shall file their respective tax returns consistent with such allocation. Neither Buyer nor Sellers shall take a position inconsistent therewith upon examination of any tax return, in any refund claim, or in any litigation or investigation, without the prior written consent of the other party, except as required by applicable law. In the event that such allocation is disputed by any Governmental Authority, the party receiving notice of the dispute shall promptly notify the other party hereto in writing of such notice and resolution of the dispute.

1.8. Closing. The consummation of the sale and purchase of the Station Assets under this Agreement shall take place on the date ten (10) business days after the date of the FCC Consent (defined below). If a condition to a party's obligation to close pursuant to Article 6 or 7 below is not satisfied (or waived by such party) on or before such date, then such party may by written notice delay Closing until five business days after it is satisfied (or waived by such party) (subject to Section 10.1). The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.9. FCC.

(a) As soon as possible (but in no event later than three (3) business days after the date of this Agreement) Buyer and Sellers shall file an application with the FCC requesting

the FCC's written consent to the assignment of the FCC Licenses from Sellers to Buyer pursuant to this Agreement (the "FCC Application"). The FCC's written consent to the FCC Application (by initial order) without material adverse conditions is referred to herein as the "FCC Consent."

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

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

1.10. LMA. Simultaneous with the execution of this Agreement, Buyer, CCBL and Capstar LP are entering into a Local Programming and Marketing Agreement (the "LMA") pursuant to which, among other things, and subject to the terms and conditions of the LMA, Buyer will provide programming for, and be entitled to receive the revenues from the sale of advertising time on, the Stations.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER

Sellers jointly and severally make the following representations and warranties to Buyer:

2.1. Organization. Each Seller is a corporation or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business and is in good standing in each jurisdiction in which the Station Assets are located. Sellers have the requisite organizational power and authority to own, lease and operate their properties and to carry on the operation of the Stations as now being conducted. Sellers have the requisite organizational power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Sellers pursuant hereto (collectively, the "Ancillary Seller Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2. Authorization. The execution, delivery and performance by Sellers of this Agreement and the Ancillary Seller Agreements have been duly and validly authorized and approved by all necessary action of Sellers and do not require any further authorization or consent of Sellers. This Agreement is, and each Ancillary Seller Agreement when executed and delivered by Sellers and the other parties thereto will be, a legal, valid and binding agreement of Sellers enforceable against Sellers in accordance with its respective terms, except in each case as

such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. No Conflicts. Neither the execution and delivery by Sellers of this Agreement and the Ancillary Seller Agreements nor the consummation by Sellers of any of the transactions contemplated hereby or thereby, nor compliance by Sellers with or fulfillment by Seller of the terms, conditions and provisions hereof or thereof, will (i) conflict with any organizational documents of Sellers, (ii) violate any law, judgment, order, or decree to which Seller is subject or (iii) conflict with, result in a default or give rise to any right of termination, modification or acceleration under any of the provisions of any mortgage, indenture, agreement or other instrument or obligation, Station Contract or Permit, except for (a) Station Contracts for which consent to assignment is required as set forth on *Schedules 1.1(c)* and *1.1(d)*, and (b) required consents of, approvals by, notifications to or filings with, as applicable, any Governmental Authority in respect of certain Permits, if any, or (iv) require the approval, consent, authorization or act of, or the making by Sellers of any declaration, filing or registration with, any Governmental Authority, except the FCC Consent.

2.4. Financial Information. Sellers have delivered to Buyer copies of the unaudited results of operations of the Stations for the twelve months ended December 31, 2003, prepared in accordance with the books and records of the Stations, which do not overstate the revenues of the Stations, and, based upon the internal allocation practices of Sellers and their Affiliates, do not understate the expenses of the Stations, in either case for the applicable period in any material respect. Sellers make no representations or warranties with respect any other financial information, statements, budgets, estimates or projections delivered or made available to Buyer.

2.5. FCC Licenses. CCBL and Capstar LP are the holders of the FCC Licenses described on *Schedule 1.1(a)*. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against any Seller with respect to the Stations. With respect to the Stations, Sellers are in compliance in all material respects with the FCC Licenses, the Communications Act of 1934 (the "Communications Act"), and the rules, regulations and policies of the FCC. All material reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Sellers with respect to the Stations have been timely filed and paid. All such reports and filings are accurate and complete in all material respects. Sellers maintain public files for the Stations as required by FCC rules.

2.6. Taxes. Sellers have, in respect of the Stations' business, filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

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

2.8. Real Property. *Schedule 1.1(c)* contains a description of all Real Property included in the Station Assets. CCB and Capstar have fee simple title to the owned Real Property ("Owned Real Property") free and clear of Liens other than Permitted Liens. *Schedule 1.1(c)* includes a description of each lease of Real Property or similar agreement included in the Station Assets (the "Real Property Leases"). The Owned Real Property includes, and the Real Property Leases provide, access to the Stations' facilities. To Sellers' Knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority. Each tower and other structure included in the Real Property and owned by Sellers (i) is in good operating condition and repair (ordinary wear and tear excepted) and no condition exists which could reasonably be expected to interfere with the customary use and operation thereof, and (ii) is available for immediate use in the conduct of the Stations' business. The facilities located at the KMXI transmitter site encroach upon an adjacent parcel (among other things, the tower, anchors and guy wires and related facilities are located in whole or in part on the adjacent parcel). *Schedule 1.1(c)* will include the Easement and Maintenance Agreement with respect to such encroachment. For purposes of this Agreement, "Sellers' Knowledge" means the actual knowledge of any officer or director of a Seller.

2.9. Contracts. Each of the Station Contracts (including without limitation each of the Real Property Leases) is in effect and is binding upon Sellers and, to Sellers' Knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Sellers have performed their obligations under each of the Station Contracts in all material respects, and are not in material default thereunder, and to Sellers' Knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect.

2.10. Environmental. Except as set forth in any environmental report delivered by Sellers to Buyer prior to the date of this Agreement, to Sellers' Knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Real Property included in the Station Assets. Except as set forth in any environmental report delivered by Sellers to Buyer prior to the date of this Agreement, to Sellers' Knowledge, Sellers have complied in all material respects with all environmental, health and safety laws applicable to the Stations.

2.11. Intangible Property. *Schedule 1.1(e)* contains a description of the material Intangible Property included in the Station Assets. Sellers have received no notice of any claim that their use of the Intangible Property infringes upon any third party rights. Sellers own or have the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

2.12 Compliance with Laws. Sellers have complied in all material respects with all laws, rules and regulations, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Stations. There is no action, suit or proceeding pending or, to Sellers' knowledge, threatened against Sellers in respect of the Stations that will subject Buyer to liability or which will affect Sellers' ability to perform its obligations under this Agreement. To Sellers' knowledge, there are no governmental claims or investigations pending or threatened against Sellers in respect of the Stations except those affecting the industry generally.

2.13 Labor Matters. Sellers have complied in all material respects with all labor and employment laws, rules and regulations applicable to the Stations' business, 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 Sellers in respect of the Stations' business pending or, to Sellers' knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Stations' business.

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

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to Sellers:

3.1. Organization. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and is qualified to do business and is in good standing in the State of California. Buyer has the requisite organizational power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Ancillary Buyer Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

3.2. Authorization. The execution, delivery and performance by Buyer of this Agreement and the Ancillary Buyer Agreements have been duly and validly 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 Ancillary Buyer Agreement when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable against each of them in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. No Conflicts. Neither the execution and delivery by Buyer of this Agreement and the Ancillary Buyer Agreements nor the consummation by Buyer of any of the transactions contemplated hereby, nor thereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof or thereof will (i) conflict with any organizational documents of Buyer, (ii) violate any law, judgment, order, or decree to which Buyer is subject, (iii) conflict with, result in a default or give rise to any right of termination, modification or acceleration under any of the provisions of any note, bond, lease, mortgage, indenture, license, franchise, permit, agreement or other instrument or obligation (other than the FCC Licenses) to which Buyer is a party, or (iv) require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any Governmental Authority, except the FCC Consent.

3.4. No Finder. Other than Media Venture Partners, the fees and charges of which are the sole responsibility and obligation of Buyer, no broker, finder, agent, firm or other Person acting on behalf, or under the authority, of Buyer is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly in connection with this Agreement or any of the transactions contemplated hereby.

3.5. Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act and the rules, regulations and policies of the FCC. To Buyer's Knowledge, there are no facts that would, under applicable law and the rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations. No waiver of any FCC rule or policy applicable to Buyer is necessary for the FCC Consent to be obtained. 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 Buyer's ability to perform its obligations hereunder. For purposes of this Agreement, "Buyer's Knowledge" means the actual knowledge of any officer or director of Buyer.

3.6. Financing. Without limiting the generality of Section 3.5, Buyer has the financial ability to pay the Purchase Price at Closing.

ARTICLE IV

SELLER COVENANTS

4.1. Station Operations. Sellers jointly and severally covenant and agree with respect to the Stations that, between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, Sellers shall, except as contemplated by the LMA:

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

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

(c) upon reasonable notice, give Buyer 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 rights of Buyer shall be exercised at Buyer's sole expense and shall not be exercised in such a manner as to interfere unreasonably with the business of the Stations;

(d) not sell, lease or dispose of any of the Station Assets (except for replacements and immaterial dispositions of assets in the ordinary course of business), or permit to exist any Liens upon the Station Assets, except for Permitted Liens;

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

(f) maintain and repair the Stations' facilities and equipment, and inventory of supplies, parts and other materials, and keep the Stations' books of account, records and files, in each case in the ordinary course of business consistent with past practices;

(g) keep in full force and effect insurance or other arrangements in respect of the business of each Station and the Station Assets comparable in amount and scope to that now maintained;

(h) use commercially reasonable efforts to preserve intact all goodwill of or relating to the Stations; and

(i) perform in all material respects its obligations under the Station Contracts.

ARTICLE V

JOINT COVENANTS

Buyer and Sellers hereby covenant and agree that between the date hereof and Closing:

5.1. Confidentiality.

(a) Subject to the requirements of applicable law, Buyer and Sellers shall each keep confidential all information obtained by it with respect to the other parties hereto in connection with this Agreement and the negotiations preceding this Agreement ("Confidential Information"); provided that, the parties hereto may furnish such Confidential Information to its employees, agents and representatives who need to know such Confidential Information (including its financial and legal advisers, its banks and other lenders) (collectively, "Representatives"); provided however, the disclosing party shall be responsible for all actions or omissions of such Representatives with regard to Representatives' breach of this Section 5.1. Each party hereto shall, and shall cause each of such party's Representatives to, use the Confidential Information solely in connection with the transactions contemplated by this Agreement, and not for any competitive purpose or advantage detrimental to the other party hereto or any of its affiliates. If the transactions contemplated hereby are not consummated for

any reason, each party shall (i) return to such other party hereto, without retaining a copy thereof, any schedules, documents or other written information (and any derivative work product) obtained from such other party in connection with this Agreement and the transactions contemplated hereby, and (ii) provide, upon request, a written confirmation that all Confidential Information (and derivative work product) has been returned to the other party, and that the Confidential Information was used solely in connection with the transactions contemplated by this Agreement. The obligations of the parties under this Section 5.1(a) shall survive the Closing or the termination of this Agreement for a period of three (3) years after such Closing or termination, as applicable.

(b) No party shall be required to keep confidential or return any Confidential Information which: (a) is known or available through other lawful sources, not bound by a confidentiality agreement with the disclosing party; (b) is or becomes publicly known through no fault of the receiving party or its agents; (c) is required to be disclosed pursuant to an order or request of a Governmental Authority (provided the disclosing party is given reasonable prior notice of the order or request and the purpose of the disclosure); or (d) is developed by the receiving party independently of the disclosure by the disclosing party. Sellers and their Affiliates may, in accordance with their respective legal obligations (including but not limited to filings permitted or required by the applicable securities laws or any securities market) make such filings and public statements and announcements as necessary or appropriate in connection with this Agreement and the transactions contemplated hereby. Without limitation of the foregoing, at the earliest of the date of the first public announcement of the discussions relating to the transaction, the date of the public announcement of the transaction, or the date of the execution of the definitive agreements relating to the transaction, each party to the transaction (and each employee, representative, agent and advisor of each such party) may disclose to any and all persons, without limitations of any kind, the U.S. tax treatment and tax structure of the transaction contemplated hereby and all materials of any kind (including opinions and other tax analysis) that are provided to the party relating to such U.S. tax treatment and tax structure. In addition, no party shall be subject to any restriction concerning its consulting with its tax advisor regarding the tax treatment or tax structure of the transaction contemplated hereby at any time.

5.2. Cooperation. Each party (i) shall use commercially reasonable efforts to obtain any governmental or third party consents necessary to accomplish the transactions contemplated by this Agreement, and to satisfy the conditions to Closing set forth herein, and (ii) shall not take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect. Without limitation to the foregoing, the parties shall use commercially reasonable efforts to obtain all consents set forth on *Schedules 1.1(c)* and *1.1(d)* prior to Closing. If any transmitter site lease set forth on *Schedule 1.1(c)* requires consent to assign, then such consent is referred to herein as a "Material Consent."

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

5.4. Consents to Assignment. The parties shall use commercially reasonable efforts to obtain any third party consents necessary for the assignment of any Station Contract (which shall

not require any payment to any such third party) and to obtain any customary estoppel certificates requested by either party. To the extent that any such contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment and assumption of rights and obligations under the applicable contract, with the conveying party making available to the acquiring party the benefits thereof and the acquiring party performing the obligations thereunder on the conveying party's behalf.

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

5.6. Representations and Warranties. Each party shall give detailed written notice to the other promptly upon learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to such party prior to the date hereof, of any of such party's representations or warranties contained in this Agreement.

5.7. Notice of Proceedings. Each party will promptly notify the other in writing upon: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereby; or (b) receiving any notice from any Governmental Authority of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or the transactions contemplated hereby, or (ii) to nullify or render ineffective this Agreement or the transactions contemplated hereby if consummated.

5.8. Employee Matters.

(a) Buyer may, but is not obligated to, offer employment to any of the employees of the Stations (each an "Employee"). Buyer shall notify Sellers in writing whether or not it is hiring each Employee upon Closing or commencement of the LMA (as applicable), and such notice shall be given sufficiently in advance of Closing or such commencement date to enable Sellers to give appropriate notices to Employees without need to pay severance. All of Sellers' employment obligations as of Closing or commencement of the LMA (as applicable), including all accrued benefits and severance pay and bonuses, if any, and all of Sellers' COBRA obligations with respect to any Employees terminated by Sellers and not hired by Buyer, are Retained Liabilities, except as provided by Section 5.8(b).

(b) With respect to Employees hired by Buyer, if any (collectively, the "Transferred Employees"), Sellers shall be responsible for all compensation and benefits arising prior to Closing or commencement of the LMA (as applicable) (in accordance with Sellers' employment terms) and Buyer shall be responsible for all compensation and benefits arising after

Closing or commencement of the LMA (as applicable) (in accordance with Buyer's employment terms). With respect to each such Transferred Employee, any accrued sick leave for the calendar year in which Closing occurs shall be an Assumed Obligation which is not subject to proration under Section 1.6.

(c) Buyer shall permit Transferred Employees (and their spouses and dependents) to participate in its "employee welfare benefit plans" (as defined in ERISA) in which similarly situated employees are generally eligible to participate, subject to the provisions of such plans.

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

(e) The terms of this Agreement are solely for the benefit of (and may be enforced only by) the parties hereto and their respective successors and permitted assigns. Without limiting the foregoing, nothing in this Agreement gives any rights to any Employee, and no Employee may enforce any provision of this Agreement against any of the parties hereto.

5.9. Non-Solicitation. Between the date hereof and the Closing Date, Sellers shall not make or solicit any offer for, negotiate, enter into any agreement, understanding or letter of intent with respect to, or provide any confidential information for the purpose of facilitating the disposition of the Stations or any of the Station Assets to any party other than Buyer, in each case in a manner that conflicts with this Agreement in any material respect.

5.10. Real Property. With respect to the Owned Real Property, if within thirty (30) days after the date of this Agreement, Buyer delivers to Seller a title commitment that correctly shows a Lien (other than Permitted Liens) or a Phase 1 environmental report that correctly shows the presence of regulated substances in material violation of applicable law, then (i) if the cost thereof is less than \$200,000, Sellers shall remedy such condition in all material respects as promptly as practicable (whether before or after Closing), and (ii) if the cost thereof is \$200,000 or more, then within ten (10) business days after receipt by Sellers of such commitment or report, Sellers shall notify Buyer of Sellers' election to either: (A) remedy such condition in all material respects, in which event Sellers shall do so as promptly as practicable (whether before or after Closing), or (B) not remedy such condition, in which event either party may terminate this Agreement with the Deposit disbursed to Buyer and no party shall have any further liability in connection with this Agreement.

ARTICLE VI

SELLERS' CLOSING CONDITIONS

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

6.1. Representations, Warranties and Covenants. Each of the representations and warranties of Buyer contained in this Agreement shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement. Buyer shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Sellers 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 this Section have been satisfied.

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

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

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

6.5. Material Consents. The Material Consents, if any, shall have been obtained.

ARTICLE VII

BUYER CLOSING CONDITIONS

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

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

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

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

7.4. Legal Proceedings. No injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction shall be in effect that restrains or prohibits the transactions contemplated by this Agreement; and no material adverse action or proceeding by any Governmental Authority shall have been instituted or threatened in writing

(and not subsequently dismissed, settled or otherwise terminated) which would be reasonably likely to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

7.5. Material Consents. The Material Consents, if any, shall have been obtained.

ARTICLE VIII

CLOSING DELIVERIES

8.1. Deliveries by Sellers. At Closing, Sellers shall deliver or cause to be delivered to Buyer:

- (i) certified copies of resolutions authorizing their execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (ii) the certificate described in Section 7.1; and
- (iii) such bills of sale, assignments, special warranty deeds, documents of title and other instruments of conveyance, assignment and transfer as may be necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens.

8.2. Deliveries by Buyer. At Closing, Buyer shall deliver or cause to be delivered to Sellers:

- (i) the certified copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (ii) the certificate described in Section 6.1;
- (iii) such documents and instruments of assumption as may be necessary to assume the Assumed Obligations; and
- (iv) the Purchase Price.

ARTICLE IX

SURVIVAL; INDEMNIFICATION

9.1. Survival. The representations and warranties in this Agreement and in any Ancillary Seller Agreement or Ancillary Buyer Agreement shall survive Closing for a period of one (1) year from the Closing Date whereupon they shall expire and be of no further force or effect, except those under this Article 9 that relate to Damages (defined below) for which written notice is given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved. The covenants of the parties hereto shall survive until fully performed and discharged, unless otherwise expressly provided herein.

9.2. Indemnification.

(a) From and after Closing, Sellers shall jointly and severally defend, indemnify and hold harmless Buyer and its affiliates, and the directors, officers, employees and other agents and representatives of Buyer and its affiliates from and against any and all judgments, settlements, losses, damages, liabilities and expenses (including reasonable attorneys' fees and expenses and reasonable costs and expenses of investigation) (collectively, "Damages") incurred by any such person arising out of or resulting from: (i) any breach of the representations and warranties of Sellers in this Agreement or any of the Ancillary Seller Agreements; (ii) any failure by Sellers to comply with the covenants and agreements of Seller under this Agreement; (iii) the Retained Liabilities; or (iv) the failure of Sellers to comply with any laws relating to bulk sales; provided, however, that (i) Sellers shall have no liability to Buyer for a breach of representations and warranties hereunder until, and only to the extent that, Buyer's aggregate Damages exceed the basket amount set forth as *Exhibit A* attached hereto and (ii) the maximum liability of Seller for a breach of representations and warranties hereunder shall be the cap amount set forth on *Exhibit A* attached hereto.

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless each Seller and its Affiliates, and the directors, officers, employees and other agents and representatives of each Seller and its Affiliates from and against any and all Damages incurred by any such person arising out of or resulting from: (i) any breach of the representations and warranties of Buyer in this Agreement or the Ancillary Buyer Agreements; (ii) any failure by Buyer to comply with the covenants and agreements of Buyer under this Agreement; or (iii) the Assumed Obligations; provided, however, that (x) Buyer shall have no liability to Sellers for a breach of representations and warranties hereunder until, and only to the extent that, Sellers' aggregate Damages exceed the basket amount set forth as *Exhibit A* attached hereto and (y) the maximum liability of Buyer for a breach of representations and warranties hereunder shall be the cap amount set forth on *Exhibit A* attached hereto.

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

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

and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of such Claim at any time prior to settlement, compromise or final determination thereof).

(b) (i) The indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and (iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel or other representatives concerning such Claim and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

(c) All claims not disputed shall be paid by the indemnifying party within thirty (30) days after receiving notice of the claim for indemnification hereunder. "Disputed Claims" shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within thirty (30) days after receiving notice of the claim. In the event there is a Disputed Claim with respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. A final determination of a Disputed Claim shall be (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any mutual arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by the parties thereto or their attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties. No undertaking of defense or opposition to a claim shall be construed as an acknowledgment by such party that it is liable to the party claiming indemnification with respect to the claim at issue or other similar claims.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1. Termination. This Agreement may be terminated at any time prior to Closing in writing only as follows: (a) by the mutual consent of Buyer and Sellers; (b) by any party hereto if the FCC has denied the FCC Application in an order which has become Final; (c) by Sellers if the Closing has not taken place by the date eighteen (18) months after the date of this Agreement (the "Outside Date"); (d) by Sellers, if on the Closing Date Buyer has failed to satisfy the conditions set forth in Section 6.1 or 6.3; (e) by Sellers if there is a material breach of any of Buyer's representations, warranties or covenants under this Agreement, and Buyer does not cure such breach within thirty (30) calendar days after it receives notice from Sellers of such breach

(except that no cure period shall apply to a failure by Buyer to make the Deposit on the date hereof or a breach by Buyer of its representations set forth in Section 3.5); (f) by Buyer, if on the Closing Date Sellers have failed to satisfy the conditions set forth in Section 7.1 or 7.3; (g) by Buyer if Sellers have failed to cure a material breach of any of their representations, warranties or covenants under this Agreement within thirty (30) calendar days after they receive notice from Buyer of such breach; or (h) as provided by Section 5.10 or Section 11.10. Except as provided by Section 5.10, a termination pursuant to this Section 10.1 shall not relieve any party of any liability it would otherwise have for a breach of this Agreement occurring prior to such termination.

10.2. Specific Performance. In the event of a breach or threatened breach by either party of any representation, warranty, covenant or agreement under this Agreement, at the non-breaching party's election, in addition to any other remedy available to it, other than termination in accordance with Section 10.1, the non-breaching party shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring the breaching party to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

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

10.4. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that all taxes (and any other governmental fees and charges) applicable to the transfer of the Station Assets to Buyer hereunder at Closing (including without limitation any real estate transfer taxes) and all FCC filing fees in connection with the FCC Application shall be paid one-half by Buyer and one-half by Sellers. Buyer shall pay all fees owed to Media Venture Partners in connection with its representation of Buyer.

10.5. Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may be reasonably necessary to complete the sale of assets contemplated by this Agreement and otherwise consummate the transactions contemplated hereby.

10.6. Risk of Loss. The risk of loss of or damage to any of the Station Assets, and the risk of any interruption in the Stations' normal broadcast transmission, shall remain with Seller at all times until 12:01 a.m. local time on the Closing Date.

10.7. Receivables. On the Closing Date or commencement of the LMA (as applicable), Sellers shall turn over to Buyer for collection all Receivables of Sellers relating to the Stations existing as of such date and shall deliver to Buyer a list of the Receivables. During the one-hundred twenty (120) day period following the Closing Date or commencement of the LMA (as applicable) (the "Collection Period"), Buyer shall use commercially reasonable efforts, consistent with its usual collection practices (but without obligation to institute proceedings or use any other extraordinary means of collection) to collect the Receivables. If both Sellers and Buyer are entitled to accounts receivable from the same account debtor, all payments received during the Collection Period shall be first applied to Receivables from such account debtor until the same are paid in full, unless such account debtor disputes that it is liable to Sellers for such account receivable and Buyer notifies Seller of such dispute forthwith. In the event of such disputed account, Buyer shall be entitled to apply the payment made by the account debtor to Buyer's account receivable. During the Collection Period, Buyer shall remit such collections to Sellers on a monthly basis with a report of all collections and remaining Receivables. Buyer shall not compromise, settle or adjust the amount of any Receivables without Sellers' prior written consent. Sellers shall not attempt to collect any of the Receivables during the Collection Period. If Sellers receive a payment from an account debtor whose debt is part of the Receivables, Sellers shall promptly notify Buyer thereof. At the end of the Collection Period, Buyer shall turn back to Sellers any uncollected amounts of the Receivables, and Buyer shall have no further obligation with respect to the Receivables.

ARTICLE XI

GENERAL PROVISIONS

11.1. Assignment. Except as provided by Section 11.9, neither party may assign this Agreement without the prior written consent of the other party hereto; provided however, that Buyer may without the consent of Sellers assign its rights under this Agreement, in whole or in part, to any person controlling, controlled by, or under common control with Buyer, provided that such assignment does not delay the process of obtaining the FCC Consent; provided further that no assignment shall relieve Buyer of its obligations hereunder. No assignment shall, without the consent of the other parties hereto, relieve a party of its obligations or liability under this Agreement. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and any permitted assigns of the parties hereto.

11.2. Amendments. No amendment, waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought. Such amendment, waiver or consent shall be effective only in the specific instance and for the purpose for which given. Each Seller hereby authorizes CCB to execute on behalf of all Sellers any and all amendments, waivers, changes, extensions and discharges that may be entered into or given on behalf of Sellers.

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

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

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

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

11.7. Severability. If one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, then, so long as it does not deprive a party of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8. Entire Agreement. This Agreement (including the Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof.

11.9. Qualified Intermediary. Sellers may assign their rights under this Agreement (in whole or in part) to a qualified intermediary (as defined in Treasury regulation section 1.103(k)-1(g)(4) or similar entity or arrangement (the "Qualified Intermediary") in connection with a like-kind exchange under Section 1031 of the Code. Upon any such assignment, Sellers shall promptly give written notice thereof to Buyer, and Buyer shall provide Sellers with written acknowledgment of such notice and pay the Purchase Price (or any portion thereof designated by the Qualified Intermediary) to or on behalf of the Qualified Intermediary (which payment shall, to the extent thereof, satisfy the obligations of Buyer to make such payment hereunder). Any assignment by Sellers to a Qualified Intermediary shall not relieve Sellers of any obligation or liability under this Agreement. Except for the obligations of Buyer set forth in this Section, Buyer shall not have any liability or obligation in connection with any such like-kind exchange of Sellers.

11.10. Schedules. This Agreement is being executed prior to delivery of the following Schedules hereto:

- 1.1(a) -- FCC Authorizations
- 1.1(b) -- Tangible Personal Property

- 1.1(c) -- Real Property
- 1.1(d) -- Station Contracts
- 1.1(e) -- Intangible Property

(a) Sellers shall prepare and deliver such Schedules to Buyer within ten (10) business days of the date of this Agreement. Such Schedules will provide a more detailed listing of Station Assets but will not modify the terms of this Agreement. Schedule 1.1(d) (Station Contracts) shall include only those contracts, agreements and leases entered into in the ordinary course of business of the Stations on commercially reasonable terms.

(b) In connection with delivery of such Schedules, Sellers may deliver an exception list that limits any of their representations and warranties set forth in Sections 2.7 (Personal Property), 2.8 (Real Property), 2.10 (Environmental) and 2.11 (Intangible Property).

(c) If such exceptions increase the Assumed Obligations or detract from the value of the Station Assets by an aggregate amount that is:

(i) \$100,000 or less, then Sellers need not remedy such exception but the basket amount set forth on *Exhibit A* attached hereto shall be reduced by the cost thereof,

(ii) more than \$100,000 but less than \$200,000, Sellers shall remedy such exception in all material respects as promptly as practicable (whether before or after Closing), or

(iii) more than \$200,000, then within ten (10) business days after delivery of such exception list, Sellers shall notify Buyer of Sellers' election to either: (A) remedy such exception in all material respects, in which event Sellers shall do so as promptly as practicable (whether before or after Closing), or (B) not remedy such exception, in which event either party may terminate this Agreement with the Deposit disbursed to Buyer and no party shall have any further liability in connection with this Agreement.

[SIGNATURE PAGE FOLLOWS]

12208400

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER:

CLEAR CHANNEL BROADCASTING, INC.
CLEAR CHANNEL BROADCASTING LICENSES, INC.
CAPSTAR RADIO OPERATING COMPANY
CAPSTAR TX LIMITED PARTNERSHIP
(by Capstar Radio Operating Company, its general partner)

By: 

Name: *William P. Suffa*

Title: *Senior VP Capital Management*

BUYER:

DEER CREEK BROADCASTING, LLC

By: _____

Name:

Title:

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

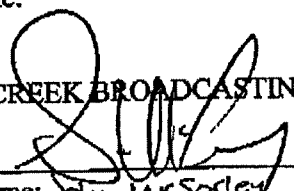
SELLER:

CLEAR CHANNEL BROADCASTING, INC.
CLEAR CHANNEL BROADCASTING LICENSES, INC.
CAPSTAR RADIO OPERATING COMPANY
CAPSTAR TX LIMITED PARTNERSHIP
(by Capstar Radio Operating Company, its general partner)

By: _____
Name:
Title:

BUYER:

DEER CREEK BROADCASTING, LLC

By:  _____
Name: John McSorley
Title: managing member