
A S S E T P U R C H A S E A G R E E M E N T

by and among

MYSTAR COMMUNICATIONS CORPORATION

(SELLER)

and

ENTERCOM INDIANAPOLIS, LLC

ENTERCOM INDIANAPOLIS LICENSE, LLC

(BUYER)

Dated as of April 21, 2004

TABLE OF CONTENTS

Page

1. DEFINITIONS.....	1
2. SALE AND PURCHASE	4
2.1. TRANSFER OF ASSETS	4
2.2. PURCHASE PRICE	5
2.3. PAYMENT	5
2.4. FINANCIAL MATTERS.	5
2.5. TIME BROKERAGE AND PROGRAM SERVICES AGREEMENT.	5
3. LIABILITIES.....	6
3.1. ASSUMPTION OF LIABILITIES	6
3.2. LIABILITIES OF SELLER	6
4. REPRESENTATIONS AND WARRANTIES	6
4.1. SELLER REPRESENTATIONS AND WARRANTIES.....	6
4.1.1. Corporate Standing And Authority.	6
4.1.2. Due Authorization; No Conflicts.....	7
4.1.3. Qualifications.....	7
4.1.4. Contracts And Leases.....	7
4.1.5. Personal Property.....	8
4.1.6. Title To Real Property And Personal Property.....	8
4.1.7. No Defaults	8
4.1.8. Authorizations	9
4.1.9. Intellectual Property	9
4.1.10. Permits And Licenses	9
4.1.11. Compliance With Laws	10
4.1.12. Litigation And Claims	10
4.1.13. Labor Relations.....	10
4.1.14. Employment Matters	10
4.1.15. Insurance.....	11
4.1.16. Bulk Transfer Laws	11
4.1.17. Real Property, Personal Property, Plant And Equipment	11
4.1.18. Taxes	12
4.1.19. Environmental Matters	12
4.1.20. Employees	12
4.1.21. Broadcasting Contracts / Trade & Barter Agreements.....	12
4.1.22. Financial And Other Information	13
4.1.23. No Insolvency.....	13
4.1.24. Condition Of Equipment	13
4.1.25. No Material Adverse Condition	13
4.1.26. Payment Of Taxes	14
4.1.27. Required Consents	14
4.1.28. Full Disclosure.....	14
4.1.29. Closing.....	14
4.2. ENTERCOM REPRESENTATIONS AND WARRANTIES	14
4.2.1. Organization and Standing.	14
4.2.2. Authorization.....	15
4.2.3. No Litigation	15
4.2.4. Qualifications.....	15
4.2.5. Closing.....	15

5.	CONDITIONS.....	15
5.1.	CONDITIONS TO OBLIGATIONS OF THE PARTIES	15
5.2.	CONDITIONS TO OBLIGATIONS OF SELLER.....	16
5.3.	CONDITIONS TO OBLIGATIONS OF ENTERCOM.....	16
5.4.	NON-OCCURRENCE OF CONDITIONS	18
6.	OPERATIONS PENDING CLOSING	18
6.1.	AFFIRMATIVE COVENANTS OF SELLER	18
6.2.	NEGATIVE COVENANTS OF SELLER.....	20
6.3.	CERTAIN EMPLOYEE MATTERS	22
6.4.	NO CONTROL BY ENTERCOM	22
7.	PREPARATION FOR CLOSING	22
7.1.	FCC APPLICATION	22
7.2.	INSPECTION BY ENTERCOM.....	22
7.3.	HART-SCOTT-RODINO NOTIFICATION	23
8.	CLOSING.....	23
8.1.	CLOSING.....	23
8.2.	ADJUSTMENTS	23
8.3.	CLOSING DELIVERIES TO ENTERCOM.....	24
8.4.	CLOSING DELIVERIES TO SELLER.....	26
8.5.	COVENANT OF FURTHER ASSURANCES	26
8.6.	RISK OF LOSS	27
8.7.	TAXES ON TRANSACTION.....	27
8.8.	ACCOUNTS RECEIVABLE	27
9.	DEFAULT, TERMINATION AND INDEMNIFICATION	28
9.1.	TERMINATION BY REASON OTHER THAN DEFAULT	28
9.2.	EFFECT OF TERMINATION BY REASON OTHER THAN DEFAULT	28
9.3.	DEFAULT	28
9.4.	SELLER’S REMEDY	29
9.5.	ENTERCOM’S REMEDIES.....	29
9.6.	LIQUIDATED DAMAGES NOT A PENALTY.....	29
9.7.	INDEMNIFICATION	29
9.7.1.	<i>By Seller.....</i>	29
9.7.2.	<i>By Entercom.....</i>	30
9.7.3.	<i>Procedures</i>	30
9.7.4.	<i>Limitations on Indemnification.</i>	31
9.7.5.	<i>Construction of “Material” Limitations</i>	31
10.	GENERAL PROVISIONS.....	32
10.1.	EXPENSES OF THE PARTIES	32
10.2.	BROKERS	32
10.3.	SURVIVAL.....	32
10.4.	CONFIDENTIALITY	32
10.5.	NO SOLICITATION.....	33
10.6.	POST-CLOSING COVENANTS REGARDING EMPLOYEES.....	33
10.6.1.	<i>Non-Solicitation of Employees.....</i>	33
10.6.2.	<i>Initial Employment of Selected Seller Employees.....</i>	33
10.7.	AMENDMENT AND WAIVER	34
10.8.	EFFECT OF THIS AGREEMENT	34
10.9.	HEADINGS	34
10.10.	COUNTERPARTS.....	34
10.11.	GOVERNING LAW	34

10.12.	NOTICES	34
10.13.	ASSIGNMENT	35
10.14.	SECTION 1031 ASSET EXCHANGE.....	36
10.15.	SEVERABILITY	36
10.16.	EXHIBITS AND SCHEDULES.....	36
10.17.	ENTERCOM LIABILITY MATTERS	36

Schedules

<u>Schedule 2.2</u>	Allocation of Purchase Price
<u>Schedule 4.1.2</u>	Conflicts
<u>Schedule 4.1.4</u>	Contracts And Leases
<u>Schedule 4.1.5</u>	Personal Property
<u>Schedule 4.1.6</u>	Exceptions to Title
<u>Schedule 4.1.8</u>	Authorizations
<u>Schedule 4.1.9</u>	Intellectual Property
<u>Schedule 4.1.12</u>	Litigation And Claims
<u>Schedule 4.1.14</u>	Employment Matters
<u>Schedule 4.1.15</u>	Insurance
<u>Schedule 4.1.17</u>	Real Property
<u>Schedule 4.1.19</u>	Environmental Matters
<u>Schedule 4.1.20</u>	Employees
<u>Schedule 4.1.21</u>	Non-Terminable Broadcasting Contracts / Trade & Barter Agreements
<u>Schedule 4.1.22</u>	Certain Financial Information
<u>Schedule 4.2.3</u>	Litigation And Claims
<u>Schedule 6.3</u>	Certain Employee Matters
<u>Schedule 10.6.2</u>	Entercom Severance Policy

Exhibits

<u>Exhibit A</u>	Form of Escrow Agreement
<u>Exhibit B</u>	Form of Time Brokerage and Program Services Agreement
<u>Exhibit C</u>	Form Opinion of Counsel To Seller
<u>Exhibit D</u>	Form Opinion of FCC Counsel To Seller
<u>Exhibit E</u>	Form Opinion of John C. Donlevie, Esq.
<u>Exhibit F</u>	Form of Guaranty

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made and entered into as of April 21, 2004, by and among MyStar Communications Corporation, a corporation organized and subsisting under the laws of the State of Indiana (the “**Seller**”) and Entercom Indianapolis, LLC, a limited liability company organized and subsisting under the laws of the State of Delaware (the “**Entercom Indianapolis**”), Entercom Indianapolis License, LLC, a limited liability company organized and subsisting under the laws of the State of Delaware (the “**Entercom License**” and together with Entercom Indianapolis, collectively “**Entercom**”).

B A C K G R O U N D

WHEREAS, Seller is the Federal Communications Commission (the “**FCC**”) licensee of radio stations: WXNT 1430 AM, licensed to Indianapolis, IN (FCC Facility ID No. 47145), WTPI 107.9 FM, licensed to Indianapolis, IN (FCC Facility ID No. 47143) and WZPL 99.5 FM licensed to Greenfield, IN (FCC Facility ID No. 47144) (collectively referred to in the singular as the “**Station**”);

WHEREAS, Seller is the owner and operator of the business of the Station; and

WHEREAS, Seller desires to sell and Entercom desires to purchase and acquire from Seller certain property and assets of Seller used in the operation of the Station, and Seller desires to assign the FCC licenses and authorizations related to the Station to Entercom and Entercom desires to accept such assignment upon the terms and conditions set forth herein.

A G R E E M E N T

NOW, THEREFORE, to serve the interest, convenience and necessity of the public, to comply with the rules and policies of the FCC and to reconcile and accommodate the needs and objectives of the parties, and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions

As used herein, the following terms shall have the following respective meanings:

“*Accounts Receivable*” shall have the meaning set forth in Section 8.8.

“*Adjustment Time*” shall mean 12:00:01 a.m. current local time in Indianapolis Indiana on the Closing Date.

“*Agreement*” shall mean this Asset Purchase Agreement.

“*Application*” shall have the meaning set forth in Section 7.1.

“*A/R Schedule*” shall have the meaning set forth in Section 8.8.

“*Assets*” shall mean the Owned Real Property, the Personal Property and all of the Authorizations.

“*Authorizations*” shall mean all of the licenses, permits and authorities granted by the FCC with respect to the operation of the Station, including without limitation those listed on Schedule 4.1.8.

“*Closing*” shall mean the event of consummation of the transactions contemplated by this Agreement as more fully described in Section 8 of this Agreement.

“*Closing Date*” shall mean the date and time specified for Closing pursuant to Section 8.1.

“*Contaminant*” shall mean and include any pollutant, contaminant, hazardous material (as defined in any of the Environmental Laws), toxic substances (as defined in any of the Environmental Laws), asbestos or asbestos containing material, urea formaldehyde, polychlorinated biphenyls, regulated substances and wastes, radioactive materials, and petroleum or petroleum by-products, including crude oil or any fraction thereof except that “*Contaminant*” shall not include small quantities of maintenance, cleaning and emergency generator fuel supplies customary for the operation of radio stations and maintained in the ordinary course of business and in compliance with all Environmental Laws.

“*Contracts*” shall mean those agreements, arrangements, commitments or undertakings listed on Schedule 4.1.4, relating to the Assets, or any of them.

“*ECC*” shall mean Entercom Communications Corp.

“*Entercom*” shall mean the limited liability companies identified as Entercom in the preamble of this Agreement and any assignee of Entercom permitted in accordance with this Agreement.

“*Entercom Indianapolis*” shall mean the company identified as the Seller in the preamble of this Agreement.

“*Entercom License*” shall mean the company identified as the Seller in the preamble of this Agreement.

“*Environmental Laws*” shall mean and include, but not be limited to, any applicable federal, state or local law, statute, charter, ordinance, rule or regulation or any governmental agency interpretation, policy or guidance, including without limitation applicable safety/environmental/health laws such as but not limited to the FCC’s standards relating to radio frequency (“**RF**”) radiation exposure, the Resource Conservation and Recovery Act of 1976, Comprehensive Environmental Response Compensation and Liability Act, Federal Emergency Planning and Community Right-to-Know Law, the Clean Air Act, the Clean Water Act, and the Toxic Substance Control Act, as any of the foregoing have been amended, and any permit, order, directive, court ruling or order or consent decree applicable to or affecting the Property promulgated or issued pursuant to any Environmental Laws which pertains to, governs, or controls the generation, storage, remediation or removal of Contaminants or otherwise regulates the protection of health and the environment including, but not limited to, any of the following activities; (i) the emission, discharge, release, spilling or dumping of any Contaminant into the air, surface water, ground water, soil or substrata; or (ii) the use, generation, processing, sale,

recycling, treatment, handling, storage, disposal, transportation, labeling or any other management of any Contaminant.

“Escrow Agent” shall mean National Bank of Indianapolis (Indianapolis Indiana), identified as the Escrow Agent in Section 2.3.a of this Agreement.

“FCC” shall mean the Federal Communications Commission.

“FCC Consents” shall mean the approval of the FCC granting the Application for assignment to Entercom License of the Authorizations for the Station.

“Final Orders” shall mean an action by the FCC which has not been reversed, stayed, enjoined, set aside, annulled or suspended and with respect to which action no timely protest, petition to deny, petition for rehearing or reconsideration, appeal or request for stay is pending and as to which action the time for filing of any such protest, petition, appeal or request and any period during which the FCC may reconsider or review on its own authority have expired.

“Guaranty” shall have the meaning set forth in Section 10.17.

“Identified Employee” shall have the meaning set forth in Section 10.6.2.

“Indemnification Cap” shall have the meaning set forth in Section 9.7.4.a.

“Indemnification Threshold” shall have the meaning set forth in Section 9.7.4.b.

“Leases” shall mean the lease agreements which are listed in Schedule 4.1.4.

“Leased Real Property” shall mean the Real Property which is not Owned Real Property.

“Loss” and *“Losses”* shall mean any loss, damage, claim, obligation, assessment, cost, liability, and expense (including, without limitation, reasonable attorney’s fees and costs and expenses incurred in investigating, preparing, defending against or prosecuting any litigation or claim, action, suit, proceeding or demand) of any kind or character.

“Material Contracts” are those Contracts identified on Schedule 4.1.4 as *“Material Contracts.”*

“Ordinary Course of Business” shall mean the routine conduct of the business of the radio station in question on a basis substantially consistent with the regular practice of such station in the last three (3) years.

“Owned Real Property” shall mean the parcels of Real Property that are owned by Seller as identified on Schedule 4.1.17.

“Permitted Encumbrances” shall mean: (i) encumbrances under any equipment lease or purchase agreements included in the Contracts to be assumed by Entercom hereunder, if any; (ii) encumbrances for taxes, assessments or governmental charges or levies which are not yet due and payable (for which a proration adjustment shall be made at Closing) or that are being

contested by Seller subject to adequate security for payment; (iii) easements, rights of way, or other encumbrances disclosed in this Agreement that do not, in the reasonable opinion of Entercom, have a material adverse effect on the Assets or the present or the proposed future operation of the Station; and (iv) encumbrances imposed by law, such as materialmen's, mechanic's, carrier's, workmen's or repairmen's liens or other similar encumbrances arising in the ordinary course of business and with respect to amounts not yet delinquent, provided that such statutory liens do not interfere in any material respect with the present or proposed future operation of the Station and provided further that such statutory liens are removed or satisfied on or prior to the Closing.

"Personal Property" shall mean all of the tangible and intangible personal property, and all rights and interests which are or were at any time since January 1, 2004, used, necessary or useful in, or associated with, the operation of the Station, including without limitation, the following: (i) the assets and property listed in Schedule 4.1.5 as "Included Property;" and (ii) all of Seller's right, title, and interest under the Leases and Contracts listed on Schedule 4.1.4; and excluding only (a) Seller's cash, cash equivalents and cash accounts receivable (but not trade and barter receivables which shall be "Included Property") as of the Closing Date; and (b) the assets listed in Schedule 4.1.5 as *"Excluded Property."*

"Purchase Price" shall mean the purchase price to be paid for the Assets as set forth in Schedule 2.2.

"Real Property" shall mean all of the land and buildings erected thereon and described in Schedule 4.1.17 to this Agreement.

"Real Property Leases" shall mean all Leases for the Leased Real Property.

"Renewal Applications" shall have the meaning set forth in Section 4.1.8.

"Required Consents" shall mean the consents of third parties to the Real Property Leases and Material Contracts.

"Seller" shall mean the company identified as the Seller in the preamble of this Agreement.

"Station" shall have the meaning set forth in the preamble to this Agreement.

"Survival Period" shall have the meaning set forth in Section 10.3.

"TBA" shall have the meaning set forth in Section 2.5.

2. Sale And Purchase

2.1. Transfer Of Assets

Subject to the terms and conditions set forth in this Agreement, at the Closing Seller shall sell, convey, grant, assign and deliver to Entercom, free and clear of all liens, security interests and other encumbrances except for the Permitted Encumbrances, and Entercom

shall buy, accept and receive from Seller, all of the Personal Property and Owned Real Property, and Seller shall assign to Entercom, free and clear of all liens, security interests and other encumbrances, and Entercom shall accept the assignment of, the Authorizations.

2.2. Purchase Price

The Purchase Price for the Assets is the sum of Seventy Three Million Five Hundred Thousand Dollars (\$73,500,000.00). The Purchase Price shall be allocated among the Assets in the manner set forth in Schedule 2.2. Notwithstanding any allocation of the Purchase Price, it is agreed the transactions described in this Agreement are indivisible.

2.3. Payment

The Purchase Price to be paid by Entercom, in consideration of the due performance by Seller of this Agreement, shall be payable in the following manner:

a. The parties agree and acknowledge that within two (2) business days from the date hereof, Entercom will deliver Five Million Dollars (\$5,000,000) (the “**Escrow Deposit**”) to Escrow Agent to be held by such Escrow Agent in accordance with the terms of the Escrow Agreement executed by Seller, Entercom, and Escrow Agent contemporaneously herewith, attached as Exhibit A to this Agreement. At the Closing, the principal amount of the Escrow Deposit shall be paid to Seller and applied to the Purchase Price to be paid to Seller and all interest accrued thereon shall be paid to Entercom.

b. The balance of the Purchase Price remaining unpaid after payment of the principal amount of the Escrow Deposit (e.g., Sixty Eight Million Five Hundred Thousand Dollars (\$68,500,000.00) if Five Million Dollars (\$5,000,000) is the amount of the principal amount of the Escrow Deposit which is paid to Seller), shall be delivered at the Closing by wire transfer, federal funds or in other immediately available funds to the account of Seller at such financial institution (and apportioned) as Seller shall specify in writing on not less than three (3) business days notice prior to the Closing Date.

2.4. Financial Matters.

Seller agrees to reasonably cooperate with requests from Entercom to provide financial information of the nature included on Schedule 4.1.22, to provide Entercom with reasonable access to audit such financial information to the extent related to the Assets or such entity containing such Assets and/or necessary or useful for Entercom to comply with GAAP, the rules and regulations of the Securities and Exchange Commission or other applicable laws. This obligation shall survive the Closing.

2.5. Time Brokerage and Program Services Agreement.

Simultaneously with the execution of this Agreement, Entercom and Seller shall enter into a Time Brokerage and Program Services Agreement in the form attached hereto as Exhibit B (the “**TBA**”) to this Agreement.

3. Liabilities

3.1. Assumption Of Liabilities

As partial consideration for the purchase of the Assets, Entercom, from and after the Closing Date, shall assume and pay, perform and discharge the following liabilities, obligations and commitments:

a. Liabilities and obligations accruing after the Adjustment Time with respect to the Authorizations and with respect to the Contracts and Leases listed on Schedule 4.1.4.

b. All taxes and assessments that accrue on or with respect to the Assets or the operation of the Station from and after the Adjustment Time and which relate to a period or periods occurring from and after the Adjustment Time.

c. Liabilities and obligations specifically assumed by Entercom pursuant to this Agreement or pursuant to any document, instrument or other agreement delivered by Entercom pursuant to this Agreement or pursuant to any agreement executed concurrently herewith.

3.2. Liabilities Of Seller

Except for the obligations specifically assumed by Entercom pursuant to Section 3.1 of this Agreement, Entercom shall not and does not assume any liability or obligation of Seller, fixed or contingent, disclosed or undisclosed, including without limitation, lease or contractual obligations, employment contracts or commitments, obligations to employ any employee of Seller or for pensions, severance other employee benefit plans, or tax liabilities or any other claims against Seller.

4. Representations And Warranties

4.1. Seller Representations And Warranties.

Except to the extent modified by the actions of Entercom pursuant to the TBA, Seller hereby represents and warrants to Entercom as follows:

4.1.1. Corporate Standing And Authority.

Seller is a corporation, duly organized, validly existing and in good standing under the laws of the State of Indiana. As of the Closing Date, Seller shall be in good standing and qualified to do business in the State of Indiana. Seller has full power and authority, as appropriate, to own or operate the properties being sold hereunder, to hold the Authorizations and to engage in the business in which it is presently engaged and to make and perform this Agreement according to its terms.

4.1.2. Due Authorization; No Conflicts

This Agreement constitutes the valid and binding obligation of Seller. The execution and delivery of this Agreement by Seller and the performance of the transactions contemplated hereby have been duly authorized by all necessary action on the part of Seller and all necessary action on the part of Seller has been taken in connection with the execution, delivery and performance of this Agreement. Except as set forth on Schedule 4.1.2, neither the execution, delivery and performance nor compliance by Seller with the terms and provisions hereof will: (i) conflict with or result in a breach of any of the terms, conditions or provisions of Seller's Certificate of Incorporation or Bylaws; (ii) constitute a default under any Real Property Lease or Material Contract; (iii) result in the creation of a lien, security interest or encumbrance upon the Assets; (iv) give any third party any right to accelerate any obligation under any Real Property Lease or Material Contract; or (v) result in a violation of any material agreement or contract to which Seller is a party or by which it is bound or constitute a material default thereunder; or (vi) require any authorization or action (except as expressly set forth herein) by or notice to any court or administrative body pursuant to any judgment, order, injunction, decree, regulation or ruling of any court or any other governmental authority to which the Assets or Seller is subject.

4.1.3. Qualifications

Seller does not know of any facts which, under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC, or otherwise would disqualify Seller as an assignor of the Authorizations or which could be expected to cause FCC approval of the Application relating to the transfer of the Station to be denied or materially delayed or which could reasonably be expected to lead to the filing of a material objection to the Application.

4.1.4. Contracts And Leases

Seller has complied in all material respects with the terms of the Contracts and Leases listed on Schedule 4.1.4 and such Contracts and Leases are in full force and effect and constitute valid and binding obligations of Seller and are legally enforceable by Seller in accordance with their terms, except as such enforcement may be limited by applicable fraudulent conveyance, bankruptcy, reorganization, insolvency and similar laws relating to or affecting the enforcement of creditors' rights generally and general equitable principles affecting the enforcement of equitable remedies (including within said equitable remedies without limitation the remedy of specific performance and regardless of whether such enforcement is sought in a proceeding in law or in equity). Seller has delivered to Entercom true and correct copies of all leases and contracts listed in Schedule 4.1.4. To Seller's knowledge, other than the Contracts and Leases listed in Schedule 4.1.4, there are no other contracts, written or oral, now in effect, which in any way affect the Personal Property, the Real Property or the present or further operation of the Station. Each Contract and Lease to be assumed by Entercom hereunder is listed on Schedule 4.1.4.

4.1.5. Personal Property

The Personal Property listed under the heading “*Included Property*” on Schedule 4.1.5, lists all of the Personal Property relating to the operation of the Station except for those items specifically listed on Schedule 4.1.5 under the heading “*Excluded Property*.”

4.1.6. Title To Real Property And Personal Property

Except as disclosed on Schedule 4.1.6, Seller has good, marketable and indefeasible ownership, right, title and interest in and to the Personal Property and to the Owned Real Property, including the right to transfer same free and clear of any mortgage, claim, conditional sale agreement, security interest, lease, lien, encumbrance, hypothecation, pledge, restriction, liability, charge or imperfection of title except for the Permitted Encumbrances. Other than the Permitted Encumbrances, all liens and encumbrances, including those specifically identified in Schedule 4.1.6, will be removed at or prior to Closing. With respect to the Real Property, the title held by Seller is insurable by First American Title Insurance Company (through Talon Group, Indianapolis, Indiana) or by another reputable national title insurance company licensed in Indiana and acceptable to both parties, through an extended coverage title insurance policy for the benefit of Entercom on an ALTA Form 1970 at standard rates, and Seller shall obtain (subject to receiving the survey from Entercom, as required herein) an endorsement that all towers located on the Owned Real Property are constructed in accordance with all applicable zoning ordinances. All improvements on the Owned Real Property are in compliance with applicable zoning and land use laws, ordinances and regulations in all respects necessary to conduct the operation of the Station as presently conducted. To Seller’s knowledge, all improvements on the Leased Real Property are in compliance with applicable zoning and land use laws, ordinances and regulations in all respects necessary to conduct the operation of the Station as presently conducted.

4.1.7. No Defaults

Seller has complied, in all material respects, with all of the terms of the Contracts and Leases and such Contracts and Leases are enforceable by Seller in accordance with their terms (except as such enforcement may be limited by applicable fraudulent conveyance, bankruptcy, reorganization, insolvency and similar laws relating to or affecting the enforcement of creditors’ rights generally and general equitable principles affecting the enforcement of equitable remedies (including within said equitable remedies without limitation the remedy of specific performance and regardless of whether such enforcement is sought in a proceeding in law or in equity). No event has occurred which, with the passage of time or the giving of notice or both would constitute a default by Seller thereunder except where such default would not have a material adverse effect on Seller, its business or the Assets (individually or in the aggregate). To Seller’s knowledge all other parties to the Contracts and Leases have complied in all material respects with the provisions thereof and are not in default thereunder and no event has occurred which with the passage of time or the giving of notice or both would constitute a default by any such other party thereunder, except where such default would not have a material adverse effect on Seller, its business or the Assets (individually or in the aggregate).

4.1.8. Authorizations

All Authorizations necessary to the lawful operations of the Station as currently conducted have been granted and issued by the FCC, and are listed on Schedule 4.1.8 and all such Authorizations are in full force and effect. Seller has performed and complied with all of the terms and conditions of the Authorizations. There are no applications of the Seller relating to the Station pending with the FCC except as listed on such Schedule 4.1.8. No proceedings are pending, and Seller has no knowledge of any proceedings existing or threatened which may result in the revocation, modification, non-renewal or suspension of any of the Authorizations, the denial of any pending applications, the issuance of a cease and desist order, or the imposition of any other administrative or judicial sanction to which any of the Station, the Real Property or the Personal Property is or may be subject. The Authorizations are not subject to any restrictions or conditions which would materially limit the operation of the business of any of the Station as presently conducted. All ownership reports, renewal applications, and other reports and documents required to be filed by Seller with the FCC, including without limitation all regulatory fees, have been filed in a timely manner, and all such reports, applications and documents are true and correct; except, in the case of other reports and documents required to be filed by Seller, where such failure to so file would not have a material adverse effect on Seller, its business or the Assets (individually or in the aggregate). On or before April 1, 2004, Seller filed with the FCC applications (the “**Renewal Applications**”) for renewal of the Authorizations. Seller has no knowledge of any facts or claims that could reasonably be expected to interfere with a routine grant of the Renewal Applications without conditions and for the full eight (8) year license renewal term commencing August 1, 2004. The Station are identified by their respective assigned call letters and, unless noted on Schedule 4.1.8, are being operated on their respective assigned frequency at the power authorized by the FCC.

4.1.9. Intellectual Property

Schedule 4.1.9 lists all trademarks, trade names, service marks, copyrights and other intellectual property used by Seller or relating to the operations of the Station which have been registered with Federal or Indiana governmental agencies or used at common law. To Seller’s knowledge, all licenses of such intellectual property are valid and uncontested. Seller has not received any notice of (i) infringements, (ii) unlawful use of such intellectual property in connection with the operations of the Station, or (iii) claims that the operations of the Station as now conducted conflicts with any valid patents, trademarks and copyrights relating to the operation of the Station conflicts with any valid patents, trademarks, trade names, service marks or copyrights of others. The operation of the Station as now conducted does not conflict with any valid patents, trademarks, trade names, service marks or copyrights of others in any way which is reasonably likely to have a material adverse effect on the operation of the Station.

4.1.10. Permits And Licenses

In addition to the Authorizations, Seller has obtained and/or holds all other material governmental permits and licenses necessary for the lawful operation of the Station. All terms, restrictions and requirements of such permits and licenses have been complied with in all material respects and Seller is not in default of any of same, except where such default would not

have a material adverse effect on Seller, its business or the Assets (individually or in the aggregate).

4.1.11. Compliance With Laws

Seller has complied in all material respects with all applicable laws, rules, regulations and orders, of all federal, state and local authorities, including the rules and regulations of the FCC, with respect to the Assets and the Real Property and operation of the Station. Seller is not in default with respect to or in violation of any judgment, order, injunction or decree to which it is a party, or any rule or regulation of any court, administrative agency or other governmental authority, including the rules and regulations of the FCC, except where such default would not have a material adverse effect on Seller, its business or the Assets (individually or in the aggregate).

4.1.12. Litigation And Claims

Except as disclosed in Schedule 4.1.12, no litigation, proceeding, controversy or claim is pending or threatened against Seller, the Assets, the Real Property, the right or power of Seller to transfer the Assets owned by it, the ownership, possession, use or resale of any of the Assets, the Real Property or the operation of the Station. Except as disclosed on Schedule 4.1.12 no claim has been made or asserted against Seller relating to this transaction and Seller knows of no basis for any such litigation, proceeding, controversy or claim.

4.1.13. Labor Relations

Seller has complied in all material aspects with all applicable laws, rules and regulations pertaining to the employment of labor, including those relating to wages, hours, collective bargaining and the payment of or withholding of taxes; has withheld all amounts required by law or agreement to be withheld from the wages or salaries of its employees and is not liable for any arrearage of wages or any tax or withholding or any penalties or interest for failure to comply with any of the foregoing; and there are no collective bargaining agreements relating to the relationship with any employee of any of the Station. Seller has no knowledge of any union organizing activities involving or targeting any employees of any of the Station in the two (2) year period preceding the date of this Agreement.

4.1.14. Employment Matters

Except as disclosed on Schedule 4.1.14 there are no contracts or leases of any nature that will impose on Entercom from and after the Closing any obligation or commitment of any nature with respect to any present or past employee of Seller or under any employee benefit or retirement plan of Seller and all employees of the Station are employed on an "at will" basis which may be terminated without cause at any time. Seller shall be solely liable for all expenses of employment termination and severance, including without limitation payment of accrued vacation.

4.1.15. Insurance

Seller currently maintains, and has in the past maintained, insurance coverage on the Real Property and the Personal Property and with respect to its employees and operations, in amounts and in respect of liabilities and risks described in Schedule 4.1.15. Such Schedule 4.1.15 contains a true and complete listing of all policies and binders of insurance currently held by or on behalf of Seller relating to the Real Property, the Personal Property and the Station's operations. Such policies and binders are valid and enforceable by Seller in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy and similar laws affecting the enforcement of creditor's rights and general equitable principles affecting the enforcement of equitable remedies (including within such equitable remedies without limitation the remedy of specific performance), are outstanding and in full force and effect as of the date hereof, and provide adequate property insurance for the full replacement of the Owned Real Property and the Personal Property of the Station and adequate liability insurance for the protection of the business and operations of the Station.

4.1.16. Bulk Transfer Laws

Neither this Agreement, the Closing, nor any other transactions contemplated by this Agreement are subject to any Bulk Transfer Law or similar law in any jurisdiction applicable to the transactions contemplated by this Agreement. Seller shall indemnify and hold Entercom harmless from any Loss incurred by Entercom under or as a consequence of non-compliance with any Bulk Transfer Law or similar law.

4.1.17. Real Property, Personal Property, Plant And Equipment

All structures, facilities, machinery, equipment, furniture, fixtures, automobiles, trucks, tools and other tangible personal property included on or within the Real Property and the Personal Property to be conveyed to Entercom are in good operating condition and repair (ordinary wear and tear excepted) and are usable in the ordinary course of the operation of the Station. Such tangible Personal Property includes all equipment and devices reasonably necessary for the proper and safe operation of the Station in accordance with generally accepted engineering and operating practices of a prudent radio broadcast operator. All real property used or useful in the operation of the Station is described on Schedule 4.1.17. The Real Property includes all of the real property, easements, leasehold rights, rights of way and other real property interests necessary to conduct the business of the Station as it is now conducted and as it may in the Ordinary Course of Business be conducted in the future. Seller has full and free legal and practical access to all of the Owned Real Property, and all such real property is served by all necessary utilities. To Seller's knowledge, Seller has full and free legal and practical access to all of the Leased Real Property, and all such real property is served by all necessary utilities. Except as disclosed on Schedule 4.1.17, all improvements to the Owned Real Property are in good working condition and repair (ordinary wear and tear excepted), are insurable at standard rates, and comply with all applicable federal, state and local statutes, ordinances and regulations. Except as disclosed on Schedule 4.1.17, (i) all of the transmitting towers, ground radials, guy anchors, transmitter buildings and related improvements located on the Owned Real Property, are located entirely on the Owned Real Property; and (ii) to Seller's knowledge, all of the transmitting towers, ground radials, guy anchors, transmitter buildings and

related improvements located on the Leased Real Property, are located entirely on the Leased Real Property. To Seller's knowledge, there is no threatened or contemplated action to take by eminent domain or otherwise to condemn any part of the Real Property. There is no pending action to take by eminent domain or otherwise to condemn and part of the Owned Real Property.

4.1.18. Taxes

As of the Closing Date Seller will have paid and discharged all taxes, assessments, excise and other levies relating to the Assets which are due, excepting only such taxes, assessments and other levies which will not be due until or after the Closing Date and which are to be prorated between Entercom and Seller pursuant to the provisions of Section 8.2 of this Agreement.

4.1.19. Environmental Matters

Except as set forth on Schedule 4.1.19, none of the Personal Property or the Owned Real Property, or any personal property or real property used at any time prior to the Closing in the operation of the Station (or to Seller's knowledge, none of the Leased Real Property) contains: (i) any asbestos, polychlorinated biphenyls ("PCBs") or any PCB contaminated oil; (ii) any Contaminants; or (iii) any underground storage tanks. During the period of time that the Personal Property and the Real Property has been owned or used by Seller, Seller has not discovered the existence of, or discharged, released, emitted or otherwise added, any Contaminants or PCBs or PCB-contaminated oil on, under or above any of such real property or in or to any of the Personal Property. All of the Personal Property and the Owned Real Property is, in all material respects, in compliance with all applicable Environmental Laws and Seller knows of no notice, assertion or claim to the contrary. To Seller's knowledge, all Leased Real Property is, in all material respects, in compliance with all applicable Environmental Laws and Seller knows of no notice, assertion or claim to the contrary.

4.1.20. Employees

Schedule 4.1.20 contains a listing of the name, salary or compensation, and job description of all employees of the Station as of April 14, 2004. Entercom may, but shall not be obligated (other than through its own actions independent of any provisions of this Agreement or pursuant to the assumption of any written employment agreement) to offer employment to any employee of the Station who was employed by Seller at or before the Closing. Seller shall be responsible for and pay to Seller's employees all accrued or earned compensation and benefits of any kind, including without limitation, only with respect to employees of Seller who are not employed by Entercom upon the Closing Date in accordance with Section 6.4, severance or other termination benefits which result from the employment with and termination thereof by Seller.

4.1.21. Broadcasting Contracts / Trade & Barter Agreements

a. Except as disclosed on Schedule 4.1.21, all contracts for the sale of broadcast advertising on the Station are terminable by Seller on not more than six (6) months prior written notice and all contracts for the sale of broadcast advertising on a trade or barter basis are subject to preemption in favor of cash advertising. Seller

acknowledges and agrees that Entercom will not assume any trade or barter contracts or any obligations for unused broadcast time credits except for those listed on Schedule 4.1.21 or permitted by the terms of this Agreement to be entered into by Seller between the date of this Agreement and Closing.

b. From the date of the schedule of trade or barter contracts listed on Schedule 4.1.21 through the date hereof, Seller has not entered into any trade or barter agreements except in the Ordinary Course of Business

4.1.22. Financial And Other Information

All of the financial, technical and operating information provided by Seller to Entercom concerning the operation of the Station, and any additional information provided to Entercom pursuant to this Agreement, is and shall be true and correct in all material respects and not misleading; does not fail to state any material information necessary to make the statements made therein not misleading; and, with respect to the financial information attached on Schedule 4.1.22 was prepared in accordance with generally accepted accounting principles consistently applied (except as specified in Schedule 4.1.22) and fairly presents the financial condition of the Station as of the respective dates thereof and the results of operation of the Station for the respective periods then ended.

4.1.23. No Insolvency

No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of its assets or properties are, or within three years prior to the date hereof have been, pending or, to the best of Seller's knowledge, threatened, and, within three years prior to the date hereof, Seller has not made an assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

4.1.24. Condition Of Equipment

Transmission and studio equipment and other equipment (mechanical and electrical) included within the Assets is, and will be as of the Closing Date, in good repair and working condition (subject to ordinary wear and tear) and is in material compliance with all current FCC requirements.

4.1.25. No Material Adverse Condition

Seller does not know of any undisclosed condition specifically applicable to the Station that exists on the date of this Agreement, including but not limited to, pending or threatened litigation, that is likely to have a material and adverse effect (individually or in the aggregate) on any of the Station's assets or financial condition, other than (i) changes in the Ordinary Course of Business, (ii) economic, business or financial conditions or trends, and (iii) conditions generally affecting the Station.

4.1.26. Payment Of Taxes

Seller has, and as of the Closing Date will have, paid and discharged all taxes, assessments, excises and other levies which are due, including any such taxes, assessments, excises and levies which, if due and not paid, would interfere with Entercom's enjoyment or use of the Owned Real Property, excepting such taxes, assessments and other levies which will not be due until or after the Closing Date and which are to be prorated between Seller and Entercom pursuant to the provisions of Section 8.2.

4.1.27. Required Consents

The only approvals or consents of persons or entities not a party to this Agreement that are legally or contractually required to be obtained by Seller in connection with the consummation of the transactions contemplated by this Agreement are those that are (i) set forth on Schedules 4.1.2 and 4.1.8 and (ii) those contemplated by Section 5.1.

4.1.28. Full Disclosure

The representations and warranties made by Seller in this Agreement are not, and will not be on the Closing Date, false or misleading individually or in the aggregate with respect to any material fact and will not omit to state a material fact required to be stated herein when necessary in order to make the statements contained herein not materially false or misleading.

4.1.29. Closing

All of the foregoing representations and warranties of Seller shall be true and accurate as of the Closing Date and said representations and warranties shall be deemed to have been restated in full by Seller as of the Closing Date except to the extent they speak as of a particular time other than the Closing Date.

4.2. *Entercom Representations And Warranties*

Entercom hereby represents and warrants to Seller that:

4.2.1. Organization and Standing.

a. Entercom Indianapolis is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. Entercom Indianapolis is qualified to do business as a foreign entity in the State of Indiana. Entercom Indianapolis has all necessary power and authority to conduct its business as proposed to be conducted upon the acquisition of the Assets at Closing.

b. Entercom License is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. Entercom License has all necessary power and authority to conduct its business as proposed to be conducted upon the acquisition of the Assets at Closing.

4.2.2. Authorization

Each of Entercom Indianapolis and Entercom License has the power and authority to execute, deliver and perform this Agreement and such other agreements as are necessary to consummate the transactions contemplated hereby and this Agreement constitutes the valid and binding obligation of such entity. Neither the execution, delivery and performance nor compliance by either of Entercom Indianapolis and Entercom License with the terms and provisions hereof will conflict with or result in a breach of any of the terms, conditions or provisions of the such entity's Certificate of Formation or operating agreement; of any judgment, order, injunction, decree, regulation or ruling of any court or any other governmental authority to which such entity is subject; or of any material agreement or contract to which such entity is a party or by which it is bound or constitute a material default thereunder.

4.2.3. No Litigation

Except as disclosed on Schedule 4.2.3, there is as of the date hereof no suit, action, governmental investigation or other proceeding pending against Entercom or any subsidiary or affiliate of Entercom that might prevent Entercom from completing the Closing in accordance with Section 8 and Entercom has no knowledge of any claim or threat of same.

4.2.4. Qualifications

Entercom knows of no facts which, under the Communications Act of 1934, as amended, or the rules, regulations or policies of the FCC, would disqualify Entercom as an assignee of the Authorizations, including without limitation the FCC's multiple ownership rules.

4.2.5. Closing

All of the foregoing representations and warranties of Entercom shall be true and accurate as of the Closing Date and said representations and warranties shall be deemed to have been restated in full by Entercom as of the Closing Date except to the extent they speak as of a particular time other than the Closing Date.

5. Conditions

5.1. Conditions To Obligations Of The Parties

Performance of the obligations of the parties with respect to the Station under this Agreement and the Closing of the transactions provided for herein are and shall be subject to the occurrence and concurrence of the express conditions precedent that (i) the FCC has granted the FCC Consent to the assignment to Entercom License of the Authorizations issued by the FCC for the Station without any materially adverse condition; and (ii) the waiting periods (as they may be extended) applicable to the transfer of the Assets under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**") shall have expired or been earlier terminated.

5.2. Conditions To Obligations Of Seller

Performance of the obligations of Seller under this Agreement and the Closing of the transactions provided for herein are and shall be subject to the occurrence and concurrence of the express conditions precedent, any of which may be waived by Seller, as appropriate, that:

- a. Entercom shall have delivered to Seller the Purchase Price and the other documents, agreements and instruments required hereunder.
- b. Entercom's representations and warranties contained in Section 4.2 shall be true and correct in all material respects at and as of the Closing as if made on and as of such date except to the extent they speak as of a particular time other than the Closing Date and only if the failure of any such representation or warranty to be true and correct at Closing prevents Entercom from consummating the Closing.
- c. All of the terms, covenants and conditions to be complied with and performed by Entercom on or prior to the Closing Date shall have been complied with or performed in all material respects.
- d. On or before April 30, 2004, Seller shall receive from Entercom written confirmation that each of Entercom Indianapolis and Entercom License shall have received approval from their respective sole members to consummate the transactions contemplated hereunder.

5.3. Conditions To Obligations Of Entercom

Performance of the obligations of Entercom under this Agreement and the Closing of the transactions provided for herein are and shall be subject to the occurrence and concurrence of the express conditions precedent, any of which may be waived by Entercom, that:

- a. All Required Consents have been obtained.
- b. No order, decree or judgment of any court, agency or other governmental authority shall have been entered which would render it unlawful as of the Closing Date for Entercom to effect the transactions contemplated by this Agreement in accordance with its terms.
- c. At or prior to Closing, Entercom shall not have received any information (other than the information specifically set forth on Schedule 4.1.19) with respect to the Personal Property, the Owned Real Property and/or the Leased Real Property or any property or real property used at any time prior to the Closing in the operation of any of the Station, leading Entercom to reasonably believe that (A) (i) Entercom could be held responsible under any Environmental Law; (ii) such property may contain any asbestos, PCBs, PCB contaminated oil, underground storage tanks, or any Contaminant; or (iii) that any of the Personal Property, Owned Real Property or Leased Real Property is not or may not be in full compliance with all Environmental Laws; and (B) the amount of any potential Losses arising from or relating to the items set forth in clauses (A)(i), (ii) & (iii) above could exceed Fifty Thousand Dollars (\$50,000) in the aggregate; provided that in

the event Entercom has formed such belief, Entercom shall provide written notice thereof to Seller setting forth the basis thereof, and Seller, after receipt of such notice, does not take such actions or measures satisfactory to Entercom, in its reasonable discretion, to resolve the issues raised.

d. The representations and warranties of Seller contained in Section 4.1 shall be true and correct in all material respects at and as of the Closing Date as if made on and as of such date except to the extent that they speak as of a particular time other than the Closing Date.

e. All of the terms, covenants and conditions to be complied with and performed by Seller on or prior to the Closing Date shall have been complied with or performed in all material respects.

f. Seller shall have obtained at its expense and delivered to Entercom commitments, as described on Section 4.1.6, insuring Entercom's title to the Owned Real Property in the amount of the portion of the Purchase Price allocated to such Owned Real Property and an affidavit or indemnification agreement sufficient to insure against the existence of outstanding rights that could form the basis of mechanic's, materialman's or similar liens, unrecorded documents, claims of parties in possession, and judgments, bankruptcies or other charges against any persons whose names are the same as or similar to Seller's. Entercom shall have the right to obtain any endorsements to the title policy at Entercom's sole expense. Subject to receiving from Entercom a necessary survey, Seller shall have obtained as a component of such title insurance an endorsement that all towers on the Owned Real Property are constructed in accordance with all applicable zoning ordinances.

g. Entercom shall have received from Seller evidence, satisfactory to Entercom that: (i) to the extent that the ground radials relating to the towers on the Owned Real Property are not located on the Owned Real Property, such ground radials are within a recorded, insurable easement which accurately fixes the location of such easement; and (ii) the fifty (50) foot wide access easement to the Owned Real Property is the subject of a recorded, insurable easement which accurately fixes the location of such easement.

h. On or before April 30, 2004, each of Entercom Indianapolis and Entercom License shall have received approval from their respective sole members to consummate the transactions contemplated hereunder.

i. The FCC shall have granted the Renewal Applications for the full eight (8) year renewal term commencing August 1, 2004 without any conditions.

j. The FCC Consent and approval required by Section 5.1 shall have been obtained, be effective, and shall have become a Final Order, and the consent and required approval of any other applicable governmental authority has been issued or received without material adverse conditions; provided, however, if no objection to the FCC

application is filed with the FCC, then the condition that the FCC Consent and approval shall have become a Final Order shall not apply.

5.4. *Non-Occurrence Of Conditions*

This Agreement may be terminated in accordance with Section 9 as follows:

a. By any party if the Application for the assignment to Entercom of the Authorizations for the Station is denied by Final Order.

b. By Entercom, if it is not then in default hereunder and any of the conditions set forth in Section 5.3 of this Agreement shall not either have been met or waived by Entercom.

c. By Seller, if Seller is not then in default hereunder and any of the conditions set forth in Section 5.2 of this Agreement shall not either have been met or waived by Seller.

6. Operations Pending Closing

6.1. *Affirmative Covenants Of Seller*

During the period from the date of this Agreement to the Closing Date, except with the prior written approval of Entercom or to the extent modified by the Time Brokerage Agreement, Seller shall:

a. Conduct the business and operations of the Station, in the Ordinary Course of Business and in accordance with commercially reasonable operating practices and all requirements of law and regulation and, to the extent consistent with the foregoing in the same manner, in all material respects, in which the same have heretofore been conducted with the intent of preserving the ongoing operations and business of the Station and maintain the insurance listed on Schedule 4.1.15.

b. Cooperate with Entercom in connection with Entercom's review, analysis and monitoring of the Assets and the operations of the Station to the end that an efficient transfer of the Assets may be made at Closing and the business of the Station may continue on an uninterrupted basis. Seller shall provide Entercom with complete revenue, expense and technical information relating to the Station, together with any additional information reasonably requested by Entercom, and will provide Entercom with reasonable access to inspect the assets, books, records and physical assets of the Station. Seller will cooperate with Entercom's auditors to complete audits of any of the records of the Station which may be required of or by Entercom. In addition to providing information required hereunder or reasonably requested by Entercom, Seller agrees to promptly notify Entercom of any unusual problems or developments of which Seller becomes aware with respect to the Assets or the business of the Station and of any change in any of the information contained in the representations and warranties made in Section 4, including without limitation, immediate notification to Entercom of any information Seller receives concerning any litigation, arbitration or administrative

proceeding pending, or to the knowledge of Seller, threatened which challenges the transactions contemplated hereby.

c. Consult with Entercom regarding any proposed material changes to the operation of the Station to insure the continued operation of the Station as they are now operated and cooperate with Entercom to insure a smooth transfer of ownership and continuity of operations at Closing. The foregoing shall not be construed to require Entercom to consult with Seller or to render any advice to Seller.

d. Cooperate with Entercom in Entercom's efforts to employ after Closing any of the current employees of Seller that work for the Station that Entercom chooses, including without limitation, allowing Entercom to meet privately with any such current employees of the Station. Seller will not interfere with or attempt to undermine in any way, Entercom's efforts to employ such employees after Closing and until Entercom has affirmatively notified Seller that Entercom will not offer employment to any particular employee of the Station, or discuss or offer continued employment by Entercom after Closing with such employee.

e. Within twenty (20) days after the execution of this Agreement at its expense, commission First American Title Insurance Company (through Talon Group, Indianapolis, Indiana), or another reputable national title insurance company licensed in Indiana and acceptable to both parties, to prepare and provide to Entercom a preliminary title report with respect to the Owned Real Property (the "**Preliminary Title Report**"), and Seller shall promptly provide a copy of the Preliminary Title Report to Entercom, together with complete copies of all documents relating to the title exceptions referred to in the Preliminary Title Report. Entercom shall have the right to disapprove of any title exceptions (the "**Disapproved Matters**") other than Permitted Encumbrances (whether or not disclosed in the Preliminary Title Report) which in Entercom's discretion, have a material adverse effect on the Real Property, its value, or Entercom's intended use (individually or in the aggregate) and Entercom shall notify Seller of any such disapproval within twenty (20) days after receipt of the Preliminary Title Report and Survey by Entercom. All title exceptions set forth in the Preliminary Title Report and any supplemental reports or updates to the Preliminary Title Report and not disapproved by Entercom within the time periods provided herein shall constitute Permitted Encumbrances. Prior to the Closing, Seller shall, at its expense, remove or cause to be removed, all Disapproved Matters or, in the alternative, obtain title insurance in a form satisfactory to Entercom insuring against the effect of such Disapproved Matters.

f. Obtain and deliver to Entercom within ten (10) days after the execution hereof copies of all existing Phase I Environmental Assessments of all of the Assets and any real property owned or leased for use by the Station in its future operations or for which Entercom could be held responsible under any Environmental Laws and permit Entercom to obtain at Entercom's expense, Phase I Environmental Assessments prepared by reputable and qualified engineering firm which is approved by Seller and Entercom. In the event such Environmental Assessments disclose any conditions contrary to the representations and warranties contained in Section 4.1.19 or any potential that such conditions may exist, then Entercom may conduct or have conducted additional testing to

confirm or negate the existence of any such conditions. If such additional testing confirms the existence of any such conditions, Seller will reimburse Entercom for the reasonable cost of such additional testing and will take whatever additional measures are recommended in such Environmental Assessments and will take whatever other steps are necessary to have such representations and warranties be true and correct as of the Closing Date; provided that Seller shall have no such obligation and may elect to terminate this Agreement if Seller delivers written notice to Entercom stating that Seller reasonably believes that the aggregate costs of such action could exceed One Million Dollars (\$1,000,000) and that Seller has elected to terminate this Agreement as a result thereof. Entercom will notify Seller promptly upon the completion of the Environmental Assessment, and Seller will undertake whatever measures are recommended in such Environmental Assessment.

g. Provide Entercom with any survey in its possession with respect to the Owned Real Property within five (5) days of the execution of this Agreement. Entercom may, at its option, order and have undertaken on its behalf and at its expense prior to Closing a survey of the Owned Real Property, and shall be granted all cooperation and access by Seller necessary to complete such survey. Such survey shall be obtained by Entercom as soon as reasonably practicable, but in any event not more than sixty (60) days from the date of this Agreement. Upon receipt of such survey, Entercom shall promptly give Seller a copy thereof. In the event either of such surveys demonstrates discrepancies concerning the boundaries of the Owned Real Property or matters relating thereto, as applicable, to be conveyed to Entercom hereunder which impair the operations of the Station as currently conducted, Entercom may (i) proceed with Closing and accept the condition of the Owned Real Property, as the case may be, as it related to the boundaries thereof without adjustment of the Purchase Price and Seller shall in such event be deemed to have satisfied all representations and warranties relating to the boundaries of the Owned Real Property, or (ii) terminate this Agreement as provided under Section 9.1 with the effect set forth in Section 9.2. Except as provided in the immediately preceding sentence, if the survey is undertaken it will not negate any warranties or representations made by Seller hereunder.

6.2. Negative Covenants Of Seller

Except to the extent caused by the actions of Entercom pursuant to the TBA, or unless Entercom has given its consent in writing, which consent shall not be unreasonably withheld and shall be deemed to have been given if Entercom does not reply to any written request by Seller therefor within five (5) business days after Entercom's receipt of such request, during the period from the date hereof to the Closing Date, Seller, shall not, either directly or indirectly:

a. Renew, extend, cancel, modify adversely, amend, assign, encumber, or, to the extent within Seller's control, allow or suffer the automatic renewal, extension or cancellation of any of the Contracts or the Leases to be assumed by Entercom; in any way discharge or terminate any Contract to be assumed by Entercom; or enter into any new contract or lease of the nature of such agreements to be assumed by Entercom.

b. By any act or omission, surrender, modify adversely, forfeit or fail to renew or extend on regular terms any Authorization for the Station, fail to prosecute any application pending before the FCC, or take or omit any action which might result in the FCC instituting any proceedings for the revocation, suspension or modification of any of the Authorizations.

c. Except in the Ordinary Course of Business, sell or dispose of any of the Assets; provided that any Assets so disposed of in the Ordinary Course of Business are replaced with Assets of like kind, quality and quantity;

d. Suffer or permit the creation of any mortgage, conditional sale agreement, security interest, lease, lien, hypothecation, pledge, encumbrance, restriction, liability, charge, claim or imperfection of title on or with respect to any of the Assets other than Permitted Encumbrances.

e. Enter into any new agreement for the sale of broadcast time on the Station on a trade or barter basis.

f. Fail to repair, replace or maintain the Station transmitting equipment, the studio and other technical equipment to be sold hereunder to Entercom in good order and condition reasonable wear and tear excepted and in accordance with the generally accepted standards of maintenance applicable to the broadcasting industry or fail to maintain at levels consistent with past practice its equipment, supplies and other tangible Personal Property used or usable in the operation of the Station.

g. Allow or cause to exist any event of default by Seller material to this transaction under any Contract to be assumed by Entercom.

h. Fail to take any reasonable actions necessary to maintain continuous broadcast operations of the Station from their main antennae with their licensed facilities.

i. Fail to take any reasonable actions necessary to avoid the happening of, or to cure the existence of any damage to, or impairment of any of the Assets.

j. Fail to operate the Station in conformity with all of the applicable requirements of law and regulation.

k. Increase the commercial load of any of the Station or make any change to the format of the Station. Without limiting the foregoing, Seller will not broadcast more than 15 commercial minutes per hour on WXNT and more than 13 commercial minutes per hour on any FM Station (provided, that, Seller may also sell 30-minute commercial programs on WXNT consistent with past practices).

l. Reduce or increase the workforce or payroll of any of the Station by more than 10%.

m. Alter the external promotion budget of the Station from the 2004 budget for the Station.

- n. Enter into any new trade or barter arrangement for the Station.
- o. Modify the current format and/or the program selection practices of the Station or materially modify the music/program rotation policy of the Station.
- p. Hire any new or replacement management or supervisory employees, or talent for major dayparts, including without limitation general manager, sales manager, program director, announcer for any period 6 a.m. to midnight Monday through Friday, business manager, or promotion director.
- q. Change any sales commission formula or deviate from the Station's current commercial scheduling practices, including, without limitation, increase the spot load.

6.3. *Certain Employee Matters*

Entercom agrees that during the term of the TBA, Entercom will employ (subject to the consent of such persons to be so employed) the persons listed on Schedule 6.3. If at Closing Entercom terminates the employment of any person listed on Schedule 6.3, Seller agrees to be responsible for any and all severance obligations relating to any such termination.

6.4. *No Control By Entercom*

Nothing contained in this Agreement shall give to Entercom any right to control the operations of the Station prior to the Closing Date. Any advice, counsel or consent given to Seller by Entercom under this Section 6 will not mitigate, detract from or otherwise affect Seller's representations, warranties or obligations under this Agreement and the consequences of Seller acting on any such advice, counsel or consent will be solely Seller's responsibility.

7. *Preparation For Closing*

7.1. *FCC Application*

The parties hereby bind themselves (a) to use all reasonable efforts, to proceed in good faith and to cooperate with each other, in seeking the FCC Consents to the assignment of all Authorizations granted and issued in connection with the Station, as provided in this Agreement; (b) to diligently and promptly prepare, sign and file with the FCC within ten (10) business days from the date of this Agreement any and all application(s) requisite or desirable to procure such FCC Consents (the "**Applications**"); and (c) to diligently and promptly prepare and submit to the FCC all information, data, exhibits, amendments, resolutions, statements and other material necessary or proper in connection with the Applications; and to diligently pursue the grant of the FCC Consents and the Final Orders with respect thereto. Neither party will take, or fail to take, any action which could reasonably be expected to hinder or delay the Closing.

7.2. *Inspection By Entercom*

During the period from the date of this Agreement to the Closing Date, Seller shall upon reasonable advance notice from Entercom, afford or cause to be afforded engineers, attorneys, accountants and other consultants and/or representatives of Entercom free access

during normal business hours to the Owned Real Property, employees offices, studios, equipment, records and other documents pertaining to the Station and furnish or cause to be furnished Entercom with all information concerning the Station' affairs as Entercom may reasonably request, including but not limited to applications, responses to the FCC's questionnaires, and other documents filed with the FCC. For purposes of the foregoing records shall include, without limitation, any sales, research, consulting and ratings reports relating to the Station.

7.3. *Hart-Scott-Rodino Notification*

As promptly as practicable and no later than five (5) business days after the date hereof, the parties shall determine if a Hart-Scott-Rodino filing is necessary and, if so, the parties shall, diligently and in good faith, take all steps necessary to file and participate in the filing of all requisite documents required to be filed pursuant to the HSR Act. All fees shall paid equally by Seller and Entercom.

8. *Closing*

8.1. *Closing*

The Closing shall take place at the time and place agreed to by the parties hereto, and, if feasible, shall be accomplished by overnight courier and/or fax, with payment to be effected by wire transfer (in such a manner that Seller receives the wired funds on the Closing Date unless such failure to so receive is due to the actions of Seller or Seller's bank). In the absence of agreement, or if Closing by overnight courier, fax and/or wire transfer is not feasible, the Closing shall take place in offices of Wooden & McLaughlin, LLP, One Indiana Square, Suite 1800, Indianapolis Indiana 46204 or such location as the parties may agree at 9:00 a.m. eastern standard time on a date that shall not be more than ten (10) business days after all of the conditions to closing set forth in Section 5 are satisfied or waived.

8.2. *Adjustments*

Proration between Seller and Entercom of the items mentioned in this Section 8.2 shall be effected as of the Adjustment Time in accordance with the provisions of this Section 8.2 except to the extent such prorations are effected pursuant to the terms of the TBA. If the amount of any such items cannot readily be ascertained on the Closing Date, an estimate of the proper proration of such items shall be agreed upon by the parties and the actual proration of such item shall be computed and paid not later sixty (60) days from the Closing Date (except with respect to prorations for real estate taxes and personal property taxes which shall be paid within twenty (20) days after tax bills are received by Seller or Entercom). Such proration shall, without limitation, be applicable to the following:

a. Seller shall be entitled to all income or other consideration to be received on account of any contract or lease to be assumed by Entercom, to the extent that such income or other considerations accrue before the Adjustment Time, and thereafter Entercom shall be entitled to same.

b. All accounts receivable for broadcasts on the Station which occur prior to the Adjustment Time shall belong to Seller and for broadcasts which occur thereafter shall belong to Entercom.

c. Rental and other obligations under the Contracts and Leases to be assumed hereunder, including utilities and other costs or expenses payable thereunder.

d. FCC regulatory fees, and general and special state, county, school and municipal taxes and assessments (exclusive of rebates, penalties or interest) on the Owned Real Property, the Leased Real Property and the Personal Property to be conveyed to Entercom hereunder payable during the fiscal year of the taxing authority in which the Adjustment Time falls; if the amount of any such items cannot then be ascertained, an interim adjustment shall be made on the basis of the corresponding items for the preceding year, subject to final adjustment at such time as the relevant information becomes available. The foregoing notwithstanding, Seller, shall be responsible for and shall pay any penalties or interest which are assessed and be entitled to recover any rebate or refund on account of any such taxes or amounts which accrue at or before the Adjustment Time.

8.3. *Closing Deliveries To Entercom*

At or before the Closing, Seller, shall deliver to Entercom the following items and documents properly executed, unless Entercom shall waive in whole or in part in writing such delivery and then only to the extent of such waiver:

a. Bills of Sale, assignments and other instruments of transfer and conveyance, transferring to Entercom the Personal Property to be sold, transferred or assigned hereunder and the rights and interests under the leases and contracts being assigned to Entercom hereunder.

b. Seller shall deliver to Entercom a Corporate General Warranty Deed in recordable form transferring a fee simple absolute interest in the Owned Real Property and a fully paid policy of title insurance for the benefit of Entercom insuring good and marketable title to such Owned Real Property are free and clear of all liens and encumbrances in customary form with extended coverage issued by a title insurance company selected by Entercom and in the amount of the portion of the Purchase Price allocated to such Real Property; and, subject to receipt from Entercom of a necessary survey, as a component of such title insurance an endorsement that all towers on the Owned Real Property are constructed in accordance with all applicable zoning ordinances.

c. Seller shall deliver to Entercom: (i) a duly authorized and executed Vendor's Affidavit, in the form most recently published by the Indianapolis Bar Association, or otherwise in a form acceptable to Entercom, (ii) an affidavit in a form satisfactory to Entercom stating that Seller is not a "*foreign person*", as such term is used in § 1445 of the Internal Revenue Code, and the regulations promulgated thereunder, (iii) upon demand by Entercom, a disclosure document required under Indiana Code § 13-25-

3-1, et seq., otherwise known as the Indiana Responsible Property Transfer Law (*IRPTL*) or a written representation and warranty that the Owned Real Property is not “*Property*” for purposes of Ind. Code § 13-11-2-174, in that it (a) does not contain one or more facilities that are subject to reporting under Section 312 of the federal Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11022); (b) is not the site of one or more under-ground storage tanks for which notification is required under 42 U.S.C. § 6991a and Ind. Code § 13-23-1-2(c)(8)(A); and (c) is not listed on the Comprehensive Environmental Response, Compensation and Liability Information System (*CERCLIS*) in accordance with Section 116 of CERCLA (42 U.S.C. § 9616), and (iv) an Indiana Sales Information Form as required by Ind. Code § 6-1.1-5.5.

d. An assignment of all right, title and interest of Seller in and to the Authorizations relating to the Station and all pending applications before the FCC.

e. All keys to and actual possession of all of the Real Property and the Personal Property, in the same condition as the same now is, except for ordinary wear and tear.

f. A certificate signed by an authorized officer of Seller duly authorizing the execution, delivery and performance of this Agreement and all documents to be executed and delivered by Seller at the Closing and thereafter and certifying that no act or omission of Seller or state of facts contrary in any material respect to the agreements, representations and warranties contained herein has been taken or has occurred and that said representations in all respects are true and correct in all material respects as of the Closing Date with the same effect as if made as of the time of Closing.

g. Except for Seller’s constituent documents, minutes and similar corporate governance documents and except for Seller’s general ledger, tax returns and financial statements, all books, records, public files, Contracts and Leases to be assumed by Entercom, FCC filings, public files of the Station, correspondence and files related to the Assets or operation of the Station, and other documents relating to and necessary or appropriate to the present or proposed future operation of the Station.

h. The consents of any public authorities or third persons that are required in connection with the performance of this Agreement, including an estoppel certificate and consent to assignment to Entercom, in a form reasonably acceptable to counsel for Entercom and to Entercom’s lenders, from the lessor under any lease to be assumed by Entercom upon the Closing, and a consent to the assignment to Entercom of any Contract to be assumed by Entercom hereunder.

i. The opinions of Wooden & McLaughlin, LLP and Fletcher, Heald & Hildreth PLC, each counsel to Seller, dated as of the date of Closing substantially in the forms set forth on Exhibit C and Exhibit D to this Agreement, respectively, addressed to Entercom and authorizing reliance thereon by Entercom’s lenders.

j. Seller shall deliver to Entercom Uniform Commercial Code Lien, tax and judgment search from Marion county of the State of Indiana, dated not more than five (5)

days prior to the Closing Date and showing no Uniform Commercial Code, lien, judgment, tax or other lien filings against the Owned Real Property or the Personal Property.

k. Seller shall deliver to Entercom a document or other evidence from Horine & Associates, Inc., reasonably satisfactory to Entercom, confirming that the “traffic system” used by the Stations is the property of Seller and that Seller has the full power to transfer such “traffic system” to Entercom.

8.4. Closing Deliveries To Seller

At the Closing, Entercom shall pay to Seller the Purchase Price as set forth in Section 2.2 and deliver to Seller, the following documents, properly executed unless Seller shall waive in whole or in part in writing such delivery:

a. One or more agreements whereby Entercom assumes and agrees to pay when due all liabilities of Seller assumed by Entercom hereunder.

b. Certified copies of the resolutions of the board of Entercom approving and ratifying this Agreement and all transactions contemplated by this Agreement.

c. A certificate signed by an authorized officer of Entercom, to the effect that no act or omission of Entercom contrary in a material respect to the agreements, representations and warranties contained herein has been taken or has occurred and that except to the extent specifically permitted by this Agreement, said representations and warranties are in all material respects true and correct as of the Closing Date with the same effect as if made as of the time of Closing, except to the extent that such representations and warranties speak to a particular time other than the Closing Date.

d. The opinion of John C. Donlevie, Esq., Entercom’s General Counsel, in substantially the form set forth on Exhibit E to this Agreement.

8.5. Covenant Of Further Assurances

At and after the time of Closing, upon request of the other party, either party hereto shall take such action and/or deliver to the other party such powers of attorney and further instruments of assignment, conveyance or transfer or other documents of further assurance as in the reasonable opinion of counsel for the requesting party may be reasonably necessary to evidence the full and effective transfer, conveyance and assignment of the Assets and the assumption of liabilities hereunder and to assure complete performance of this Agreement by the parties. In addition to the foregoing, and not in limitation thereof, the parties agree and acknowledge that, with respect to the documents and material delivered to Entercom and retained by Seller pursuant to Section 8.3.g, each party (in possession of the material in question) will supply the other party with copies of all such material as reasonably requested by the other party.

8.6. Risk Of Loss

If, at the time of Closing, the Personal Property or Real Property to be sold hereunder shall have suffered loss or damage, other than loss or damage caused by the actions of Entercom pursuant to the TBA, to an extent that affects the value thereof and Seller shall not have repaired, replaced or restored same with personal property, real property or other assets of like kind, quality and value, Entercom shall have the right at its election to (i) complete the purchase and Closing, in which event it shall be entitled to a reduction in the purchase price equal to the greater of the amount necessary to repair, replace or restore such damaged Personal Property, Real Property, with Personal Property, Real Property, as the case may be, of like kind, quality and value or the amount of any and all insurance proceeds available to Seller, if any, collectible by reason of such loss or damage, or (ii) postpone Closing until such time as Seller shall have so repaired, replaced or restored such Personal Property, Real Property, provided that if such postponement exceeds ninety (90) days, Entercom shall have the right to terminate this Agreement in accordance with Section 9.

8.7. Taxes On Transaction

All sales, purchase, transfer, use or documentary taxes, if any, payable by reason of this Agreement or any of the transactions contemplated hereby or the sale, transfer or delivery of any of the Assets to Entercom, whether or not imposed on Seller or Entercom, shall be borne by Seller, provided that any income, capital gains or similar tax incurred by Seller as a consequence of this transaction shall remain solely the responsibility of Seller, and provided further that any real property transfer tax shall be shared equally by Entercom.

8.8. Accounts Receivable

All of the accounts receivable of the Station for broadcasts on the Station which occur prior to the first to occur of the Effective Date under the TBA or the Adjustment Time (the “**Accounts Receivable**”) shall belong to Seller; any accounts receivable relating to broadcasts on the Station which occur after the first to occur of the Effective Date under the TBA or the Adjustment Time thereafter shall belong to Entercom. Within ten (10) days following the Closing, Seller shall deliver to Entercom a schedule of the Accounts Receivable (the “**A/R Schedule**”). Entercom agrees to collect, using efforts similar to those Entercom customarily uses with respect to its own accounts receivables, for Seller the Accounts Receivable as shown on the A/R Schedule for a period of one hundred fifty (150) days following the Closing. Seller will at the Closing provide Entercom a power of attorney or other required authorization for the limited purpose of allowing Entercom to endorse and deposit checks and other instruments received in payment of the Accounts Receivable. All payments received by Entercom from any customer whose name appears in the A/R Schedule and who is also a customer of Entercom shall be credited as payment of the account or invoice designated by such customer. In the absence of any such designation by the customer, payments shall be first credited to the oldest invoice which is not disputed by the customer. Entercom shall keep accurate records of the payment received by it on the Accounts Receivable and Seller shall have access at reasonable times to Entercom’s records to verify such status of the Accounts Receivable. Within thirty (30) days from the end of each standard broadcast month, Entercom shall remit to Seller amounts previously collected by Entercom on the Accounts Receivable. Any Accounts Receivable that

have not been collected within the one hundred fifty (150) day period following Closing shall be returned to Seller, together with all records in connection therewith, whereupon Seller may pursue collection thereof in such manner as Seller, in its reasonable discretion, may determine. Except to remit collected Accounts Receivable in accordance herewith, Entercom shall have no liability or obligation to Seller with respect to the collection of Seller's accounts and shall not be obligated to take any action to collect such accounts. Entercom agrees to cooperate reasonably with Seller, at Seller's expense, in connection with any litigation or other collection efforts instituted by Seller with respect to any delinquent Account Receivable.

9. Default, Termination And Indemnification

9.1. Termination By Reason Other Than Default

This Agreement may be terminated by a party hereto, provided such party is not then in default hereunder, upon written notice to the other party if:

- a. Events occur which give rise to a specific right hereunder to terminate this Agreement by the party seeking to terminate; or
- b. Any material condition set forth herein to the obligation of the party seeking to terminate this Agreement to complete the transaction has not been satisfied or complied with by the Closing Date (or by such earlier time as set forth herein) and has not been waived by the party seeking to terminate.
- c. The Closing has not occurred within ten (10) months from the date of this Agreement, and such party elects to terminate this Agreement; provided that a party may not exercise its right to terminate under this Section 9.1.c, if the reason that the Closing has not occurred is the failure to obtain the FCC Consent due to issues related to such party.
- d. The Closing has not occurred within fourteen (14) months from the date of this Agreement, and such party elects to terminate this Agreement.

9.2. Effect Of Termination By Reason Other Than Default

If this Agreement is duly terminated by either party as provided in Section 9.1, then all obligations of either party to the other shall cease and terminate, and the Escrow Deposit and all interest accrued thereon shall be returned to Entercom and both parties shall be fully and finally released from this Agreement.

9.3. Default

The following shall constitute a default hereunder:

- a. If any of the representations or warranties of a party contained herein is inaccurate or breached in any material respect;

b. If any of the obligations to be performed hereunder by a party hereto is not performed during the period or at or before the time specified herein for such performance;

c. If the TBA is terminated by reason of a default thereunder by a party hereto.

9.4. *Seller's Remedy*

In the event Entercom is obligated to complete Closing hereunder and defaults in such obligation which default is not waived by Seller, the sole remedy of Seller shall be to receive payment of the principal sum of the Escrow Deposit as liquidated damages in full and final settlement of all claims under this Agreement and there shall be no other or further obligations, liabilities or remedies of the parties hereunder. In the event Closing occurs hereunder, the remedy of Seller for any default by Entercom shall be indemnification pursuant to Section 9.7.

9.5. *Entercom's Remedies*

Seller recognizes that, in the event of a default by Seller, monetary damages alone will not be adequate. Therefore, in the event of a default by Seller, Entercom shall be entitled, in addition to indemnification pursuant to Section 9.7, to obtain specific performance of the terms of this Agreement. In any action to enforce specifically the performance of this Agreement, Seller shall waive the defense that there is another adequate remedy at law or equity and agrees that Entercom shall have the right to obtain specific performance of Seller's obligations under the terms of this Agreement without being required to prove actual damages, post bond, or furnish other security.

9.6. *Liquidated Damages Not A Penalty*

With respect to the liquidated damages provided for in Section 9.4, each of Seller and Entercom hereby acknowledges and agrees that the damage that may be suffered by Seller in the event of a default by Entercom hereunder is not readily ascertainable and that such liquidated damages as of the date hereof are a reasonable estimate of such damages and are intended to compensate Seller for any such damage and are not to be construed as a penalty.

9.7. *Indemnification*

9.7.1. *By Seller*

Seller shall indemnify, defend and hold Entercom and its officers, directors, employees and affiliates harmless from, against and with respect to any Loss incurred, suffered, sustained or required to be paid by any of them (except for any Loss cause by the Actions of Entercom pursuant to the TBA) and resulting from, related to or arising out of:

a. any breach of any of the representations or warranties made by Seller in or pursuant to this Agreement, or in any agreement, document or instrument executed and delivered pursuant hereto or in connection with the Closing hereunder;

b. any failure by Seller to perform or observe, or to have performed or observed, in full and in a timely manner, any covenant or agreement to be performed or observed by it pursuant to this Agreement or in any agreement, document or instrument executed and delivered by or on behalf of it in connection with the Closing hereunder;

c. any and all obligations of Seller, except for obligations to be assumed or retained by Entercom under the terms of this Agreement;

d. Seller's operation or ownership of the Assets prior to the Adjustment Time, including any and all obligations and liabilities arising under the Authorizations or the Contracts and the Leases which accrue or relate to a period of time prior to the Adjustment Time; or

e. any violation by Seller of any Bulk Transfer Law or similar law in any jurisdiction where any of the Assets is located or the business either of the Station is conducted.

9.7.2. By Entercom

If Closing does not occur due to a default by Entercom in its obligation to complete such Closing hereunder, the sole remedy of Seller shall be liquidated damages pursuant to Section 9.4. Provided Closing occurs hereunder, Entercom shall indemnify, defend and hold Seller harmless from, against and with respect to any Loss incurred, suffered, sustained or required to be paid by any of them and resulting from, related to or arising out of:

a. any breach of any of the representations or warranties made by Entercom in or pursuant to this Agreement or in any agreement, document or instrument executed and delivered pursuant hereto or in connection with the Closing hereunder;

b. any failure by Entercom to perform or observe, or to have performed or observed, in full and in a timely manner, any covenant or agreement to be performed or observed by it pursuant to this Agreement or in any agreement, document or instrument executed and delivered by or on behalf of it in connection with the Closing hereunder; or

c. any and all obligations of Entercom except for obligations to be assumed or retained by Seller under the terms of this Agreement; or

d. Entercom's operation or ownership of the Assets from and after the Adjustment Time, including any and all liabilities arising under the Authorizations, the Contracts or the Leases assumed by Entercom which accrue after the Adjustment Time or which relate to or arise out of events occurring after the Adjustment Time.

9.7.3. Procedures

Any party seeking indemnification under this Agreement (the "**Indemnified Party**") shall give the party from who indemnification is sought (the "**Indemnifying Party**") written notice of any claim or the commencement of any action or proceeding for which the Indemnified Party seeks indemnification, and the Indemnified Party

shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting from such claim, unless injunctive relief is sought against the Indemnified Party, in which case the Indemnified Party shall have the right to join in any defense. The Indemnified Party's failure to give the Indemnifying Party notice under this clause shall not preclude the Indemnified Party from seeking indemnification from the Indemnifying Party except to the extent that the Indemnified Party's failure has materially prejudiced the Indemnifying Party's ability to defend the claim or litigation. The Indemnifying Party shall not settle any claim for which the Indemnified Party seeks indemnification or consent to entry of any judgment in litigation arising from such a claim without obtaining a release of the Indemnified Party from all liability in respect of such claim or litigation. If the Indemnifying Party does not assume the defense of any such claim or litigation resulting therefrom, or if injunctive relief is sought against the Indemnified Party, the Indemnified Party may defend against or settle such claim or litigation in such manner as it may deem appropriate. The Indemnifying Party shall promptly reimburse the Indemnified Party for the amount of all reasonable expenses, legal or otherwise, incurred by the Indemnified Party in connection with the defense against or settlement of such claim or litigation. If no settlement of the claim or litigation is made, the Indemnifying Party shall promptly reimburse the Indemnified Party for the amount of any judgment rendered with respect to such claim or in such litigation and for all expenses, legal or otherwise, incurred by the Indemnified Party in the defense against such claim or litigation. Each party shall make commercially reasonable efforts to mitigate any indemnifiable damages.

9.7.4. Limitations on Indemnification.

a. Except as provided below, notwithstanding any provision of this Agreement to the contrary, in no event shall the aggregate liability of either party under this Section 9 for breaches of representations or warranties, exceed, in the aggregate, Ten Million Dollars (\$10,000,000) (the “**Indemnification Cap**”); provided that the Indemnification Cap shall not apply to any Losses arising from fraud of the indemnifying party and such Losses arising from fraud shall not be included in calculating whether Losses exceed the Indemnification Cap.

b. No claim for indemnification may be made by either party for breaches of representations or warranties unless the aggregate amount of all Losses incurred by such party and otherwise indemnified against hereunder exceeds Fifty Thousand Dollars (\$50,000) (the “**Indemnification Threshold**”). If the indemnified party incurs Losses in an amount exceeding the Indemnification Threshold, the indemnified party shall be entitled to indemnification for all such Losses.

9.7.5. Construction of “Material” Limitations

In determining whether a party shall be obligated to indemnify the other party under this Section 9, each representation and warranty and each covenant contained in this Agreement with respect to which indemnification may be sought hereunder shall be read, solely for purposes of determining whether a breach of such representation, warranty or covenant has occurred for indemnification purposes, without regard to materiality qualifications that may be contained therein. In connection with the foregoing, the parties agree and acknowledge that the indemnification provisions set forth herein are intended by the parties to cover all Losses with

respect to any and all of the specific matters contained in this Section 9, without regard to any such materiality limitation.

10. General Provisions

10.1. Expenses Of The Parties

All expenses involved in the preparation, authorization and consummation of this Agreement, including, without limitation, all fees and expenses of agents, representatives, counsel and accountants in connection therewith and in connection with applications to the FCC hereunder, shall be borne solely by the party who shall have incurred the same, and the other party shall have no liability in respect thereof except that the Entercom and Seller agree to pay in equal shares any fees payable to the FCC for the filing of the Application.

10.2. Brokers

Each party hereto represents and warrants to the other party hereto that it has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents commissions or other like payment in connection with this Agreement or the transactions contemplated hereby for which the other party will have any liability, and each party hereto agrees to indemnify and hold the other party hereto harmless against and in respect to any such obligation or liability based in any way on any agreement, arrangement or understanding claimed to have been made by such party with any third party.

10.3. Survival

Except as provided below, all representations, warranties, covenants and agreements contained in this Agreement or in any certificate delivered pursuant to this Agreement are and will be deemed and construed to be continuing representations, warranties, covenants and agreements and shall survive and not be affected by the Closing, delivery of each real property deed contemplated hereunder or by any investigation conducted by any party hereto and any information that any party may receive, and shall remain in full force and effect for a period of eighteen months following Closing Date (the "**Survival Period**"); provided that the Survival Period shall be the applicable statute of limitations plus ninety (90) days for claims for Losses arising from: (i) fraud; (ii) tax liability; (iii) liability arising under Environmental Laws or relating to the presence or removal of any Contaminant or underground storage tank; and (iv) liability relating to Seller's failure to deliver title to the Assets in accordance with its obligations hereunder. No claim may be brought under this Agreement unless written notice describing the nature and basis of such claim is given on or prior to the last day of the Survival Period.

10.4. Confidentiality

Seller and Entercom shall each keep confidential all information obtained by it with respect to the other in connection with this Agreement, whether obtained prior to, upon or subsequent to, the execution hereof, and if the transactions contemplated hereby are not consummated for any reason, neither shall at any time utilize, directly or indirectly, or disclose to any person any such information, and each shall return to the other, without retaining a copy thereof, any schedules, documents or other written information, including all financial

information, obtained from the other in connection with this Agreement and the transactions contemplated hereby, except where such information is known or available through other lawful sources or where such party is advised by counsel that its disclosure is required in accordance with applicable law including but not limited to state and federal securities laws. Pending the filing of the Application with the FCC, except for the announcements required by the FCC in connection with the filing of the Application or any announcements which Entercom believes are required by state or federal securities laws, without the prior consent of both parties, there shall be no public announcement relating to this Agreement or the transactions proposed herein.

10.5. No Solicitation

Between the date of this Agreement and the earlier of the effective termination of this Agreement under Section 9 or the Closing, neither Seller nor any of their Affiliates, members, directors, officers, employees, representatives or agents shall, directly or indirectly, solicit or initiate inquiries or proposals from, or enter into any agreement with respect to, or provide any confidential information to or participate in any discussions or negotiations with, any corporation, partnership, person or other entity or group concerning any sale to such party of all or substantially all of the Assets or the Station. Seller will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any third parties conducted heretofore with respect to any of the foregoing.

10.6. Post-Closing Covenants Regarding Employees

10.6.1. Non-Solicitation of Employees.

Seller covenants and agrees that for a period of eighteen (18 months following the Closing) that neither Seller nor any entity under common control with Seller will solicit for purposes of employment, offer employment to, counsel others to offer employment to, or employ any of Seller's employees at the Station that accept employment at the Station with Entercom. For purpose of the foregoing, the term "*employment*" shall include (but not be limited to) service as a consultant or independent contractor.

10.6.2. Initial Employment of Selected Seller Employees.

a. Entercom covenants and agrees that it will offer to employ those employees of Seller identified by Entercom, in its sole discretion, in writing to Seller at least one week prior to the Closing (each such employee an "**Identified Employee**"). Entercom agrees that such offers will be made at least two days prior to the Closing and will be conditional upon such closing.

b. Entercom agrees and acknowledges that each such Identified Employee accepting such employment with Entercom will be entitled to receive the normal benefits available to employees of ECC and its subsidiaries consistent with its existing benefit plans and policies, including without limitation its severance policy as set forth on Schedule 10.6.2. Entercom agrees that (i) it will cause its medical insurance providers to waive any waiting periods relating to the commencement of such benefits; (ii) it will use commercially reasonable efforts to cause its dental insurance providers to waive any waiting periods relating to the commencement of such benefits; and (iii) it will use

commercially reasonable efforts to cause its medical insurance providers dental insurance providers to provide for carry over deductibles on a no loss no gain basis.

10.7. Amendment And Waiver

This Agreement cannot be changed or terminated orally. Any amendment or modification hereof must be in writing signed by the party against whom enforcement is sought. No waiver of compliance with any provision or condition hereof, and no consent provided for herein, shall be effective unless evidenced by an instrument in writing duly executed by the party sought to be charged with such waiver or consent.

10.8. Effect Of This Agreement

This Agreement sets forth the entire understanding of the parties and supersedes any and all prior written or oral agreements, arrangements and understandings relating to the subject matter hereof, including without implied limitation the letter of intent executed between Seller and ECC, dated April 16, 2004. No representation, promise, inducement or statement of intention has been made by either party which is not embodied in this Agreement, and no party shall be bound by, or be liable for, any alleged representation, promise, inducement or statement of intention not embodied herein unless same shall have been made contemporaneously herewith or subsequent hereto, shall be in writing and shall be signed by the party to be charged therewith. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

10.9. Headings

The Section headings of this Agreement are for convenience of reference only and do not form a part of and do not in any way modify, interpret or construe the intention of the parties.

10.10. Counterparts

This Agreement may be executed in counterparts and all such counterparts shall be construed as one and the same instrument.

10.11. Governing Law

The construction and performance of this Agreement shall be governed by the laws of the State of Indiana, exclusive of its principles of conflicts of laws.

10.12. Notices

Any notice, report, demand, waiver or consent required or permitted hereunder shall be deemed to have been duly delivered and received: (a) on the date of personal delivery during normal business hours, or (b) on the next business day following the date of transmission, if sent by facsimile (but only if a hard copy is also sent by overnight courier and is delivered to such courier (prior to its last pick-up) on the date of facsimile transmission), or (c) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or

(d) on the date delivered, if sent by an overnight delivery service. Any notice, report, demand, waiver or consent required or permitted hereunder shall be sent, in the same manner to all persons entitled to receive such notice, report, demand, waiver or consent or a copy thereof, to the parties as follows:

If to Seller: Michael S. Maurer
MyStar Communications Corporation
11550 North Meridian Street, Suite 115
Carmel, IN 46032
Telecopier Number: (317) 573-5564

with a copies to: Ronald G. Salatich
Wooden & McLaughlin LLP
One Indiana Square, Suite 1800
Indianapolis, IN 46204
Telecopier Number: (317) 639-6444

If to Entercom: David J. Field, President
Entercom Indianapolis, LLC
Entercom Indianapolis License, LLC
c/o Entercom Communications Corp.
401 City Avenue, Suite 809
Bala Cynwyd, PA 19004
Telecopier Number: (610) 660-5641

with copies to: John C. Donlevie, Esq., Executive Vice President
Entercom Indianapolis, LLC
Entercom Indianapolis License, LLC
c/o Entercom Communications Corp.
401 City Avenue, Suite 409
Bala Cynwyd, PA 19004
Telecopier Number: (610) 660-5620

Either party may change its address for the purpose of notice by giving notice of such change in accordance with the provisions of this Section 10.12.

10.13. Assignment

Neither party may assign its rights or obligations hereunder without the written consent of the other, except (i) as set forth in Section 10.14 and (ii) that Entercom may, without the consent of Seller, assign its rights and obligations hereunder in whole or in part to any entity controlled by ECC provided that the assignee agrees, in writing, to assume and be bound by Entercom's obligations hereunder and provided further that such assignment will not result in grant of the FCC Consent or the Closing being delayed beyond the date that the FCC Consent would have been granted, or the Closing would have occurred, if there were no such assignment. No such assignment shall relieve (a) Entercom of its liability with respect to its obligations,

agreements, representations, warranties and covenants herein or (b) ECC from its liability under its guaranty executed to Seller in connection herewith.

10.14. Section 1031 Asset Exchange

Notwithstanding any other provision of this Agreement to the contrary, upon written notice to Seller, Entercom may, at or prior to Closing, assign its rights under this Agreement to a Qualified Intermediary in order to qualify as a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code. Such assignment shall be made subject to all of Entercom's rights and obligations hereunder. Following such assignment, the parties shall cooperate with all reasonable requests of the Qualified Intermediary in arranging and effecting this transaction and any additional exchange as one which qualified under Section 1031 of the Internal Revenue Code. Without limiting the generality of the foregoing, if Entercom has given notice of its intention to effect an exchange using a Qualified Intermediary, Seller shall (i) promptly provide Entercom with written acknowledgment of such notice and (ii) at Closing, if requested, deliver the Assets and all other deliveries required at Closing to the Qualified Intermediary rather than to Entercom (which delivery shall discharge the obligation of Seller to make delivery for the Assets hereunder). An assignment to a Qualified Intermediary will not relieve (a) Entercom of any liabilities hereunder with respect to its obligations, agreements, representations, warranties and covenants herein or (b) ECC from its liability under its guaranty executed to Seller in connection herewith.

10.15. Severability

Any provision of this Agreement which is unenforceable to any extent shall not render unenforceable or invalid any remaining provision hereof (or such provision to the extent not unenforceable).

10.16. Exhibits and Schedules.

Exhibits and Schedules to this Agreement are incorporated herein and made a part hereof.

10.17. Entercom Liability Matters

a. Entercom Indianapolis and Entercom License agree and acknowledge that each party is jointly and severally liable under this Agreement.

b. Concurrent with the execution of this Agreement, ECC shall execute and deliver a Guaranty, in the form of Exhibit F to this Agreement (the "**Guaranty**"). The parties agree and acknowledge that ECC is entering into the Guaranty in order to induce Seller to enter into this Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized corporate officers and their respective corporate seals thereunto affixed on this the day and date first written above.

MyStar Communications Corporation

By: _____
Name: Michael S. Maurer
Title: Chairman

AND

Entercom Indianapolis, LLC

By: _____
Name: John C. Donlevie
Title: Executive Vice President & Secretary

Entercom Indianapolis License, LLC

By: _____
Name: John C. Donlevie
Title: Executive Vice President & Secretary

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized corporate officers and their respective corporate seals thereunto affixed on this the day and date first written above.

MyStar Communications Corporation

By: Michael S. Maurer
Name: Michael S. Maurer
Title: Chairman

AND

Entercom Indianapolis, LLC

By: John C. Donlevie
Name: John C. Donlevie
Title: Executive Vice President & Secretary

Entercom Indianapolis License, LLC

By: John C. Donlevie
Name: John C. Donlevie
Title: Executive Vice President & Secretary