

**ASSET PURCHASE AGREEMENT**

**by and between**

**Citadel Broadcasting Company**

**and**

**Arkansas County Broadcasters, Inc.**

**for**

**KAFN(FM), Gould, Arkansas**

**June 6, 2003**

*EXECUTION COPY*

**ASSET PURCHASE AGREEMENT**

by and between

**CITADEL BROADCASTING COMPANY**  
("Seller");

and

**ARKANSAS COUNTY BROADCASTERS, INC.**  
("Buyer")

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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (hereafter the "Agreement") is made and entered into this 6<sup>th</sup> day of June, 2003 by and between CITADEL BROADCASTING COMPANY, a Nevada corporation (hereafter the "Seller"); and ARKANSAS COUNTY BROADCASTERS, INC., an Arkansas corporation, or its permitted assigns (hereafter the "Buyer").

### WITNESSETH:

WHEREAS, Seller is the licensee, owner and operator of FM radio station KAFN(FM), Gould, Arkansas (FCC Facility ID No. 81678) (hereafter the "Station"), pursuant to certain licenses and authorizations issued by the Federal Communications Commission (hereafter the "Commission" or "FCC"), and Seller owns certain assets used or held for use in connection with the conduct of the business or the operation of the Station;

WHEREAS, Buyer and Seller have agreed that Seller shall assign and transfer and Buyer shall acquire all rights, title and ownership of the Station, including certain assets, tangible and intangible, real, personal or mixed, used and/or useful exclusively in the conduct of the business or operation of the Station, all on the terms and subject to the conditions set forth herein; and

WHEREAS, prior consent of the FCC must be obtained for the assignment of the Station's licenses and authorizations from Seller to Buyer, and Buyer and Seller have agreed to seek such consent from the Commission.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

### Section 1. Purchase and Sale of Assets

On the Closing Date (as hereinafter defined in Section 5.1), Seller shall sell and assign to Buyer, and Buyer shall purchase from Seller certain assets, tangible and intangible, real, personal or mixed, used and/or useful in the conduct of the business or operation of the Station (hereafter collectively the "Assets"), free and clear of all debts, liens, leases, security interests, mortgages, trusts, claims, or other liabilities or encumbrances, except Permitted Liens (as defined in Section 1.7. Such Assets shall include the following:

1.1. Tangible Assets. All equipment, office furniture and fixtures, office materials and supplies, inventory, spare parts, motor vehicles and other tangible personal property of every kind and description, owned, leased, or held by Seller and used or useful exclusively in the conduct of the business and operation of the Stations and listed on Schedule 1.1, together with any replacements thereof and additions thereto, made between the date hereof and the Closing Date (as hereinafter defined in Section 5.1) (hereafter collectively the "Tangible Assets").

1.2. Real Property. All rights and interests of Seller in and to certain real property used exclusively in the conduct of the business or operation of the Station, together with any easements,

rights of ingress and egress, and rights of way associated therewith, and the buildings, towers, and fixtures located thereon as listed Schedule 1.2 (hereafter collectively the "Real Property").

1.3. Authorizations. All of Seller's rights and interests in and to the Station's FCC permits, licenses and other authorizations and any other permits, applications, permissions, authorities or approvals issued to it by the FCC or any other governmental or quasi-governmental authority used or useful exclusively in the conduct of the business or the operation of the Station listed on Schedule 1.3 (hereafter collectively the "Authorizations").

1.4. Intangible Assets. All of Seller's rights and interests in and to the trade names, service marks, franchises, copyrights, jingles, slogans, telephone numbers, post office boxes, the Station's call letters, privileges, domain names, web sites, and any other similar rights owned or held by it and used exclusively in the conduct of the business or in the operation of the Station listed on Schedule 1.4 (hereafter collectively the "Intangible Assets").

1.5. Books and Files. All books, files, records and logs relating to the conduct of the business and the operation of the Station including all filings with the FCC, engineering records, and the Stations' FCC local public file.

1.6. Excluded Assets. The assets to be assigned and transferred shall not include Seller's cash-on-hand, cash equivalents, pension or profit sharing plans, bank deposits, cash accounts receivable, corporate seal, stock or securities of any kind, corporate minute books or other corporate records not relating to the conduct of the business and operation of the Station or any item listed on Schedule 1.6 (hereafter collectively the "Excluded Assets").

1.7. Permitted Liens.

For purposes hereof, "Permitted Liens" shall mean (i) easements, restrictions and other similar matters which will not materially adversely affect the use of the Real Property in the ordinary course of business; (ii) liens for taxes not due and payable or, that are being contested in good faith by appropriate proceedings; (iii) mechanics', materialmen's, carriers', warehousemen's, landlords' or other similar liens in the ordinary course of business for sums not yet due or which are being contested in good faith by appropriate proceedings provided that at Closing the amount in dispute, if any, is set aside by Seller in an appropriate escrow account; and (iv) liens or mortgages that will be released at Closing.

**Section 2.  
Purchase Price and Payment**

The purchase price for the Assets shall be NINETY THOUSAND DOLLARS (\$90,000.00) (hereafter the "Purchase Price"), which shall be delivered by Buyer to Seller on the Closing Date in cash, or by wire transfer to an account designated by Seller.

**Section 3.  
Allocations**

Buyer and Seller agree that, pursuant to the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code") and for the purposes of IRS Form 8594 and for

any other purpose in which an allocation of the values of the various assets as of the Closing Date of this transaction are required or desired to be made by either Buyer or Seller, the following allocation, as reached in the negotiation of this Agreement, will be the allocation used by both Buyer and Seller:

Real Property .....	\$21,000
Tangible Assets.....	\$26,700
Intangible Assets.....	\$42,300
Total .....	\$90,000

**Section 4.  
Assumption of Obligations**

Buyer shall at the Closing (as hereinafter defined in Section 5.1) assume and undertake to pay, satisfy, or discharge the liabilities, obligations, and commitments of Seller under the Authorizations and the Real Property to the extent that the liabilities, obligations, and commitments relate to the conduct of the business or operation of the Station and arise out of events related to Buyer's ownership of the Assets or Buyer's operation of the Station on or after the Closing Date (as hereinafter defined in Section 5.1) . Buyer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any other liabilities, obligations, and commitments of Seller.

**Section 5.  
Date, Time and Place of Closing**

5.1. Date. The consummation of the transactions contemplated hereby shall take place on a date five (5) business days after the date that the FCC Consent (as defined in Section 12.1) is a Final Order, except that Closing may take place at any earlier time after FCC Consent upon mutual consent by the parties (hereafter the date set in accord with this section referred to as "Closing" or "Closing Date"). FCC Consent shall be deemed to be a Final Order on the date that such FCC Consent is no longer subject to reconsideration, rescission, appeal or review.

5.2. Time and Place. The Closing shall take place commencing at 10:00 a.m. local time at the Station's main studio, or at such other time, location or manner mutually agreeable to the parties, including by facsimile.

**Section 6.  
Seller's Representations and Warranties**

Seller represents and warrants as follows:

6.1. Organization, Authorization and Binding Obligation. Seller is a Nevada corporation duly organized, validly existing, and in good standing in its state of incorporation. Seller has full power and authority to enter into this Agreement and the execution, delivery and performance of this Agreement and the transactions contemplated hereby are duly and validly authorized by all

necessary action on its part. This Agreement constitutes legal, valid and binding obligations of Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

6.2. Absence of Conflicting Agreements or Required Consents. Except as set forth in Section 12.1 with respect to governmental consents, Seller's execution, delivery and performance of this Agreement: does not require the consent of any third party; will not materially violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under any agreement, instrument, trust instrument or permit individually or in the aggregate material to the transactions contemplated hereby and to which they are now subject; and will not result in the creation of any lien, charge or encumbrance on any of the Assets.

6.3. Litigation. There is no litigation, proceeding or investigation pending or, to the best of its knowledge, threatened against Seller or the Station in any federal, state or local court, or before any administrative agency (including, without limitation, any proceeding which seeks the revocation or forfeiture of or opposes or challenges the renewal of any of the Authorizations listed on Schedule 1.3), which might result in any material adverse effect upon the Assets or the Station, or which seeks to enjoin, prohibit, or otherwise questions the validity of any action taken or to be taken pursuant to or in connection with this Agreement.

6.4. Liabilities. Other than liens or encumbrances that will be released at Closing, there are no liens or encumbrances against the Station or any of its Assets, except Permitted Liens.

6.5. Authorizations. Schedule 1.3 is a true and complete list of the Station's Authorizations and the Authorizations are all of the authorizations required for the lawful conduct of the business and operation of the Station in the manner and to the full extent it was conducted prior to the temporary discontinuance of operation on August 26, 2002. Seller is the authorized legal holder of the Authorizations and all of the Authorizations are in good standing, in full force and effect, and unimpaired by any act or omission of Seller, its officers, directors, employees or agents. Seller obtained the special temporary authority for the Station to remain silent in material compliance with the Communications Act of 1934, as amended, and the rules and regulations of the FCC. All FCC regulatory fees for the Station, including regulatory fees for any auxiliary broadcast stations associated with the Station, have been timely paid or will be paid before Closing.

6.6. Real Property. Schedule 1.2 contains descriptions of all of the Real Property, including easements, rights of ingress and egress, and rights of way associated therewith, which shall be assigned by Seller to Buyer on the Closing Date. Seller possesses good and clear record and marketable fee simple title to the Real Property free and clear of all liens, foreclosure, condemnation, eminent domain, possession or eviction proceedings, and encumbrances, except Permitted Liens.

6.7. Title to and Condition of Personal Property. Except as set forth in Schedule 1.1, Seller owns and has good title to such properties, and none of such property is subject to any security interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance, except Permitted Liens. All of the Tangible Assets are "as-is" and Seller makes no other representations or warranties with respect to the Tangible Assets other than those in this section.

6.8. Federal, State and Local Taxes. All requisite federal income, payroll and excise tax returns and reports and all state and local income, sales, payroll, personal property, real property and franchise tax returns and reports required to date with respect to the operation of the Station have been duly filed, taxes and assessments (including interest and/or penalties) due and payable have been paid prior to becoming delinquent and Seller does not have any notice of any pending audits, assessments, asserted deficiencies, changes in the amount of reported loss, or claims for additional taxes which have not been paid or reserved against and Seller has no knowledge of any such claims, tax actions or proceedings against it.

6.9. Insolvency. No insolvency proceedings of any character affecting Seller or any of its assets or properties is now or on the Closing Date will be pending or, to the knowledge of Seller, threatened. Seller shall not have taken any action in contemplation of, or which would constitute the basis for, the institution of any such insolvency proceedings.

6.10. Disclosure. No representation or warranty made by Seller in this Agreement and no statement made by or on behalf of Seller in any certificate, document, Exhibit or Schedule delivered or to be delivered in connection with the transactions contemplated hereby contains or will contain any untrue statement of a material fact and to Seller's knowledge, there is no omission and there will be no omission of any material fact necessary to make such representation or warranty or any such statement not misleading.

## **Section 7. Buyer's Representations and Warranties**

Buyer represents and warrants as follows:

7.1. Organization, Authorization and Binding Obligation. Buyer is an Arkansas corporation duly organized, validly existing, and in good standing in its state of incorporation. Buyer has full power and authority to enter into this Agreement and the execution, delivery and performance of this Agreement and the transactions contemplated hereby are duly and validly authorized by all necessary action on its part. This Agreement constitutes legal, valid and binding obligations of Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.2. Absence of Conflicting Agreements or Required Consents. Except as set forth in Section 10.4 hereof with respect to governmental consents, the execution, delivery and performance of this Agreement by Buyer: do not require the consent of any third party; will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and will not, either alone or with the giving of notice or the passage of

time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, trust instrument, license, guaranty or permit to which Buyer is subject and which is individually or in the aggregate material to the transactions contemplated hereby.

7.3. FCC Qualifications. Buyer is legally, financially and technically qualified under the Communications Act of 1934, as amended, and under the interim procedure for non-Arbitron markets as defined in the FCC's News Release entitled "FCC Sets Limits on Media Concentration [-] Unprecedented Public Record Results in Enforceable and Balanced Broadcast Ownership Rules," released on June 2, 2003, to become the holder of the Station's Authorizations. Except for the rulemaking proceeding to be conducted by the FCC to define markets for purposes of the FCC's local radio ownership rule for non-Arbitron markets, Buyer neither knows, nor with reasonable diligence could know, of any facts which would cause the FCC to withhold its consent to the assignment of the Authorizations to Buyer, and should any facts come to Buyer's attention, Buyer will promptly notify Seller, and will use Buyer's best efforts and take such steps as may be necessary to remove any such impediment to the assignment of the Station's Authorizations to Buyer except if the impediment is a result of changes to the FCC's local radio ownership rule for non-Arbitron markets.

7.4. Insolvency. No insolvency proceedings of any character affecting Buyer or any of its assets or properties is now or on the Closing Date will be pending or, to the knowledge of Buyer threatened. Buyer shall not have taken any action in contemplation of, or which would constitute the basis for, the institution of any such insolvency proceedings.

7.5. Disclosure. No representation or warranty made by Buyer in this Agreement and no statement made by or on behalf of Buyer in any certificate, document, Exhibit or Schedule delivered or to be delivered in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of a material fact and to the best of Buyer's knowledge, there is no omission and there will be no omission of any material fact necessary to make such representation or warranty or any such statement not misleading.

## **Section 8. Covenants of Seller**

Between the date hereof and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer, Seller shall conduct the business and operations of the Station in accordance with the following:

8.1. Affirmative Covenants. Seller shall:

8.1.1. maintain the Authorizations in material conformity with the Communications Act of 1934, as amended, and the rules and regulations of the Commission and in material conformity with all other material applicable laws, ordinances, regulations, rules and orders;

8.1.2. maintain the Assets or replacements thereof in their present condition, ordinary wear and tear excepted;

8.1.3. return the Station to operation no later than 12:01 a.m. August 27, 2003;

8.1.4. notify Buyer of any litigation or administrative proceeding pending or, to its knowledge, threatened against it or the Station or which challenges the transactions contemplated hereby; any material damage or destruction of any of the Assets.

8.2. Negative Covenants. Seller shall not:

8.2.1 create, assume or permit to exist unless specifically described in this Agreement or the Schedules thereto any mortgage, pledge, lien or other charge or encumbrance affecting any of the Assets, except Permitted Liens;

8.2.2. sell, assign, lease or otherwise transfer or dispose of any of the Assets; or

8.2.3. waive any material right relating to any of the Assets.

### **Section 9. Covenants of Buyer**

Buyer shall not, prior to Closing, directly or indirectly, control, supervise or direct the operations of the Station. Such operations, including complete control and supervision of all Station programs, employees, policies, and finances shall be the sole responsibility of Seller.

### **Section 10. Joint Covenants**

Buyer and Seller shall act in accordance with the following:

10.1. Conditions. If any event should occur, either within or without the control of any party hereto, which would prevent fulfillment of the conditions upon the obligations of any party hereto to consummate the transactions contemplated by this Agreement, the parties hereto will use their commercially reasonable efforts to cure the event as expeditiously as possible.

10.2. Confidentiality. Each shall keep confidential all information obtained by it with respect to the others in connection with this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining a copy thereof, any confidential schedules, documents or others written information obtained from the other in connection with this Agreement and the transactions contemplated hereby.

10.3. Cooperation. Each shall cooperate fully with the other in taking any actions, including actions to obtain the required consent of any governmental instrumentality or any third party, necessary or helpful to accomplish the transactions contemplated by this Agreement.

10.4. Governmental Consents. If the consent of any governmental instrumentality contains any condition, the party upon which such condition is imposed shall use its best, diligent and good faith efforts to comply therewith before the Closing Date; provided, however, that no party hereto shall be required hereunder to comply with any condition where compliance would be unduly burdensome or would have a material adverse effect upon it.

10.5. On-Air Status of Station. In the event that Closing of the transactions contemplated herein have not been consummated by 12:01 a.m. July 27, 2003, Seller and Buyer shall use all commercially reasonable efforts to cooperate with each other to insure that the Station's license is not forfeited pursuant to 47 C.F.R. § 73.1020(c) and that the Station is returned to operation no later than 12:01 a.m. August 27, 2003.

10.6. Inconsistent Acts. No party shall take any other action inconsistent with obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this Agreement.

10.7. Further Assurances. Buyer and Seller shall cooperate and take such actions, and execute such other documents, at Closing or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

### **Section 11. Minor Modification Application**

At Buyer's request, Seller shall file an FCC 301 minor modification application to relocate the Station's transmitter site to a site specified by Buyer, and to make any other minor modifications to the Station's facilities (hereafter the "Minor Modification Application"). Seller shall also file a request for expedited action of the Minor Modification Application. Buyer shall be responsible for all costs of preparing and prosecuting the Minor Modification Application, and for relocation and construction of the transmitter.

### **Section 12. Governmental Consents**

12.1. FCC Consent. The assignment of the Authorizations as contemplated by this Agreement is subject to the prior consent and approval of the FCC (hereafter "FCC Consent"). No later than five (5) business days after notice has been published by the FCC in the *Federal Register* that the Office of Management and Budget has approved the revised FCC Form 314 to reflect the new media ownership rules adopted by the FCC on June 2, 2003, Buyer and Seller shall file and prosecute an FCC application seeking Commission consent to the assignment of the Authorizations from Seller to Buyer (hereafter "Assignment Application") with all reasonable diligence and shall otherwise use their commercially reasonable efforts to obtain the grant of such application as expeditiously as practicable. If reconsideration or judicial review is sought with respect to FCC Consent, Buyer and Seller both shall oppose such efforts for reconsideration or judicial review vigorously by filing appropriate pleadings and submissions.

12.2. Other Governmental Consents. Promptly following the execution of this Agreement, the parties will join together in filing with the appropriate governmental authorities any other requests for approval or waiver that are required in connection with the transactions contemplated hereby, and shall jointly, diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such requests for approval or waiver and in all proceedings necessary to secure such approvals or waivers.

### **Section 13. Conditions Precedent to Buyer's Obligations**

The obligation of Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to the satisfaction of each of the following conditions prior to Closing:

13.1. Representations, Warranties and Covenants.

13.1.1. All representations and warranties of Seller made in this Agreement, or in any Exhibit, Schedule, or certificate delivered pursuant hereto shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on and as of that date, except for changes contemplated by this Agreement.

13.1.2. 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.

13.1.3. Buyer shall have received a Certificate, dated as of the Closing Date, executed by an officer of Seller attesting that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date, except for the changes contemplated by this Agreement, and that Seller has complied with or performed in all material respects all terms, covenants, and conditions to be complied with or performed on or prior to the Closing Date.

13.1.4. Buyer shall have received a certified copy of the resolutions of the board of directors of Seller authorizing the execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby.

13.2. Governmental Consents. The FCC Consent provided for in Section 12.1 of this Agreement shall have been granted and shall have become a Final Order.

13.3. Governmental Authorizations. Seller shall be the holder of the Authorizations listed on Schedule 1.3, and except for modifications contemplated by the Minor Modification Application, there shall not have been any modification of any of such licenses, permits and other authorizations which has a material adverse effect on the Station or the conduct of its business and operations.

13.4. Adverse Proceedings. No suit, action or governmental proceeding shall have been instituted against, and no order, decree, or judgment of any court, agency, or other governmental authority shall have been rendered against, the parties or any of them which it is reasonably believed would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

13.5. No Material Adverse Change. There shall not have been any material adverse change in the Assets.

13.6. Instruments of Conveyance and Transfer. Seller shall deliver to Buyer instruments in form and substance reasonably satisfactory to counsel to Buyer, effecting the sale, transfer, assignment and conveyance of Seller's right, title and interest to the ownership of the Station and the Assets to Buyer including, without limitation, the following:

13.6.1. an assignment of all right, title and interest including a bill of sale for the Tangible Assets to be assigned pursuant to Section 1.1 of this Agreement;

13.6.2.a warranty deed for the Real Property pursuant to Section 1.2 of this Agreement;

13.6.3.an assignment of all right, title and interest to the Authorizations to be assigned pursuant to Section 1.3 of this Agreement;

13.6.4. an assignment of all right, title and interest to the Intangible Assets to be assigned pursuant to Section 1.4 of this Agreement; and

13.6.5. all further instruments and documents as Buyer may further reasonably request to effect the transactions contemplated under this Agreement.

13.7. Other Acts.

Seller shall have done any other acts which are necessary to place Buyer in the position of owning and controlling the Assets, operating the Station, as provided for in this Agreement.

**Section 14.  
Conditions Precedent to Seller's Obligations**

The obligation of Seller to consummate the transactions to be performed in connection with the closing is subject to the satisfaction of each of the following conditions:

14.1. Payment of Purchase Price. On the Closing Date, Buyer shall disburse the Purchase Price in accord with Section 2 of this Agreement.

14.2. Representations, Warranties and Covenants.

14.2.1. all representations and warranties of Buyer made in this Agreement, or in any Exhibit, Schedule, or certificate delivered pursuant hereto shall be true and complete in all material respects on and as of the Closing Date with the same force and effect as if made on and as of that date.

14.2.2. Seller shall have received a Certificate, dated as of the Closing Date, executed by an officer of Buyer, attesting that the representations and warranties of Buyer contained in this Agreement are true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date, and that Buyer has complied with or performed in all material respects all terms, covenants, and conditions to be complied with or performed by it on or prior to the Closing Date.

14.2.3. Seller shall have received a certified copy of the resolutions of the board of directors of Buyer authorizing the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby.

14.3. Governmental Consents. The FCC Consent provided for in Section 12.1 of this Agreement shall have been granted and shall have become a Final Order.

14.4. Adverse Proceedings. No suit, action or governmental proceeding shall have been instituted against, and no order, decree, or judgment of any court, agency, or other governmental authority shall have been rendered against, the parties or any of them which it is reasonably believed would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

## **Section 15. Transfer Taxes, Fees, Expenses, Adjustments**

15.1. Transfer Taxes, Fees and Expenses. All customary federal, state and local sales and transfer taxes, if any, and any recording costs related to the transfer of the Assets shall be paid by Buyer. The cost of any filing or grant fees imposed by any governmental authority, including the FCC, shall be paid by Buyer. The legal expenses incurred by Seller in connection with this transaction up to the amount of Four Thousand Dollars (\$4,000.00) shall be paid by Buyer to Seller's counsel, Leventhal, Senter & Lerman PLLC, at Closing. Expenses other than those provided for in this Agreement that are incurred in connection with this transaction shall be borne by the party incurring same.

15.2. Adjustments. The operation of the Station and the income and expenses attributable thereto up until 11:59 p.m. on the day preceding the Closing Date shall be for the account of Seller and thereafter for the account of Buyer. At Closing, the following shall be adjusted and apportioned between Seller and Buyer:

15.2.1. deposits placed with telephone and utility companies, and any advance rents or deposits with service companies or suppliers;

15.2.2. the annual FCC regulatory fees for the Station that will be due in September, 2003 (for the period October 1, 2002 through September 30, 2003) with such fees to be based on 2002 assessments (for the period October 1, 2001 through September 30, 2002) if necessary; and

15.2.3. all other taxes, charges, utility bills, and expenses attributable to the operation of the Station prior to Closing.

15.3. Closing Adjustments. In the event Closing adjustments are in favor of Seller, the same shall be paid at Closing by check of Buyer or added to the Purchase Price. In the event that Closing adjustments are in favor of Buyer, the same shall be paid by check of Seller or deducted from the Purchase Price. In the event it is impractical or impossible to compute the amounts of adjustments at Closing, the amount shall be computed and paid on a date no later than 120 days following the Closing Date. On-going operating expenses of the Station such as telephone service, electric, water, sewer, other utilities, maintenance and other such expenses will be paid by Buyer after the Closing Date when such amounts become due, and Seller shall reimburse Buyer upon request for such expenses, and Buyer will provide Seller with appropriate documentation showing such charges and payments.

**Section 16.**  
**Commissions or Finder's Fee**

Buyer and Seller mutually represent that there are no finders, consultants or brokers involved in this transaction and neither Seller nor Buyer have agreed to pay any broker's commission or finder's fee in connection with this transaction.

**Section 17.**  
**Risk of Loss**

17.1. Risk of Loss. The risk of any loss, damage or destruction to any of the Assets to be transferred hereunder from fire or other casualty or cause shall be borne by Seller at all times prior to 11:59 p.m. on the date preceding the Closing Date. Upon the occurrence of any loss or damage to any material assets to be transferred hereunder as a result of fire, casualty or other causes prior to Closing, Seller shall notify Buyer of same in writing immediately stating with particularity the extent of such loss or damage incurred, the cause thereof if known and the extent to which restoration, replacement and repair of the Assets lost or destroyed will be reimbursed under any insurance policy with respect thereto. In the event the loss or damage is less than or equal to Ten Thousand Dollars (\$10,000.00), Seller shall within thirty (30) days remedy the loss or damage. In the event the loss or damage exceeds Ten Thousand Dollars (\$10,000.00) and the property cannot be substantially repaired, restored or replaced with property of a comparable quality or utility within thirty (30) days, Buyer shall have the option exercisable within seven (7) days after receipt of such notice from Seller to terminate this Agreement; or elect to consummate the Agreement and accept the property in its "then" condition, in which event Buyer shall have as its initial recourse all rights under any insurance claim covering the loss. If Buyer elects to consummate the Agreement, Seller will have no further liability to Buyer except for the reimbursement to Buyer for any deductible on insurance policies.

**Section 18.**  
**Bulk Sales Law**

Seller believes that bulk sales laws that may be in effect do not apply to this transaction, but in the event any such bulk sales law does apply to this transaction, then any loss, liability, obligation or cost suffered by Buyer as the result of the failure of Seller to comply with the provisions of any bulk sales law applicable to the transfer of the Assets shall be borne by Seller.

**Section 19.**  
**Termination Rights**

This Agreement may be terminated as follows:

19.1. Termination by Buyer. This Agreement may be terminated by Buyer if Buyer is not then in material default, upon written notice to Seller if:

19.1.1. Seller fails to appear on the Closing Date ready, willing and able to consummate this transaction in accord with its terms which failure to appear shall be deemed a material default;

19.1.2. Seller shall materially default in the observance of or in the due and timely performance of any term or covenant to be performed by Seller in this Agreement, or if there shall have been a material breach by Seller of any of the material terms, representations, warranties or covenants set forth in this Agreement;

19.1.3. If the FCC changes the FCC's local radio ownership rule such that Buyer would violate the limits set forth in the new rule by acquiring the Station; or

19.1.4. If the Station has not been returned to operation by 12:01 a.m. August 27, 2003.

19.2. Termination by Seller. This Agreement may be terminated by Seller, if Seller is not then in material default, upon written notice to Buyer if:

19.2.1. Buyer fails to appear on the Closing Date ready, willing and able to consummate this transaction in accord with its terms which failure to appear shall be deemed a material default; or

19.2.2. Buyer shall materially default in the observance of or in the due and timely performance of any term or covenant to be performed by Buyer in this Agreement, or if there shall have been a material breach by Buyer of any of the material terms, representations, warranties or covenants set forth in this Agreement.

19.3. Termination by Buyer or Seller, or by Mutual Consent. This Agreement may be terminated by Buyer or Seller if:

19.3.1. the Closing of the transactions contemplated hereby has not taken place by the first anniversary date of this Agreement; or

19.3.2. the transactions contemplated hereby are designated for hearing by the FCC.

19.4. Effect of Termination.

19.4.1. If this Agreement is terminated by Buyer pursuant to Sections 19.1.1 or 19.1.2, Buyer may obtain specific performance of the terms of this Agreement without being required to prove actual damages or post a bond or furnish other security. Buyer and Seller hereby stipulate that the Station is a unique property licensed to operate by the FCC on one of a limited number of channels serving the Gould, Arkansas area and therefore specific performance is an appropriate remedy for Buyer.

19.4.2. If this Agreement is terminated by Seller pursuant to Section 19.2, Seller may pursue a claim of actual damages resulting from the default.

19.4.3. If this Agreement is terminated by either party pursuant to Sections 19.1.3, 19.1.4, or 19.3, provided that the non-terminating party is not then in material default, all obligations of the parties under this Agreement shall terminate without any liability of one party to the other.

## **Section 20. Indemnification**

20.1. Seller's Indemnities. Seller shall indemnify, defend and hold harmless Buyer from and against any and all losses, cost, liability, claims, actions, damage and expense (including reasonable legal and other expenses incident thereto) of every kind, nature or description, upon written notice by Buyer, arising out of or in connection with:

20.1.1. Seller's breach of any representation or warranty of Seller set forth in this Agreement (including the Schedules hereto) or in any certificate delivered to Buyer pursuant hereto;

20.1.2. Seller's breach of any of its covenants or other agreements contained in or arising out of this Agreement or the transactions contemplated hereby;

20.1.3. any claim for investment banking, brokerage or finder's fee arising out of the transactions contemplated hereby by any person claiming to have been engaged by Seller or any affiliate of Seller; or

20.1.4. the conduct of the business and operations of the Station prior to 11:59 p.m. on the date preceding the Closing Date, including, without limitation, any taxes, assessments or similar charges relating to the operation of Seller or Station accrued or attributable to periods prior to the Closing Date.

20.2. Buyer's Indemnities. Buyer shall indemnify, defend and hold harmless Seller from and against any and all losses, cost, liability, damage and expense (including reasonable legal and other expenses incident thereto) of every kind, nature or description, upon written notice by Seller, arising out of or in connection with:

20.2.1. Buyer's breach of any representation or warranty of Buyer set forth in this Agreement (including the Schedules hereto) or in any certificate delivered to Seller pursuant hereto;

20.2.2. any claim for investment banking, brokerage or finder's fee arising out of the transactions contemplated hereby by any person claiming to have been engaged by Buyer or any affiliate of Buyer; or

20.2.3. the conduct of the business and the operation of the Station at and subsequent to 11:59 p.m. on the date preceding the Closing Date.

20.3. Notice of Claim. Each of Buyer and Seller, upon discovery of the breach of any of the representations, warranties and covenants of the other under this Agreement, shall give to the other prompt written notice of the discovery of such breach. If any action, suit or proceeding shall be commenced against Buyer or Seller, as the case may be, in respect of which such party proposes to seek indemnification from the other under this Section 20 (each a "Third-Party Claim"), then such party (hereinafter the "Claimant") shall promptly notify the party from whom indemnification is sought (hereinafter the "Indemnifying Party") to that effect. The Indemnifying Party shall have the right, at its own expense, to participate in or assume control of

the defense of such Claim, and the Claimant shall cooperate with all reasonable requests of the Indemnifying Party subject to reimbursement for actual reasonable out-of-pocket expenses incurred as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of a Third-Party Claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. If a Third Party Claim requires immediate action, the parties will make every effort to reach a decision with respect thereto as expeditiously as possible. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any Third Party Claim, it shall be bound by the results obtained by the Claimant with respect to such Claim.

## **Section 21. Miscellaneous Provisions**

21.1. Survival of Representations, Warranties and Covenants. The representations, warranties, and covenants in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except (a) those representations and warranties contained in Sections 6.1, 6.5 and 7.1, which shall survive indefinitely, (b) those representations and warranties contained in Section 6.8, which shall survive until the termination of any applicable statute of limitations, and (c) those claims under Section 20 for which written notice is given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved.

21.2. Attorney's Fees and Costs. Should any party default in the performance of any of the terms or conditions of this Agreement, which default results in the filing of a lawsuit or any action, the prevailing party in such lawsuit shall be entitled to reasonable attorneys' fees and costs as shall be determined by the court.

21.3. Construction of Time. If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a Federal holiday, then such time shall be extended to the next business day.

21.4. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither party may assign this Agreement without the written consent of the other except that Buyer may assign its rights hereunder to an entity that is controlled by or under common control with Buyer.

21.5. Governing Law. This Agreement shall be construed and enforced in accordance with the substantive laws of the State of Arkansas without reference to principles of conflicts of law in effect in such State. If any Section or provision of this Agreement is held to be invalid or unenforceable, all other Sections and provisions shall nevertheless continue in full force and effect.

21.6. No Waiver. Neither the acceptance nor the delivery of the Assets hereunder shall constitute a waiver of any covenant, representation, warranty, agreement, obligation, undertaking, or indemnification of Buyer or Seller contained in this Agreement, all of which shall, unless otherwise specifically provided, survive Closing in accordance with the terms of this Agreement.

21.7. Notices. Any notice, consent, waiver or other communication hereunder shall be sent by certified, express or registered mail, return receipt requested, postage prepaid, overnight air courier service or same day delivery service to the address specified below (or at such other address which party shall specify to the other party in accordance herewith):

If to Seller:

Citadel Broadcasting Company  
7201 W. Lake Mead Blvd., Suite 400  
Las Vegas, NV 89128  
Attn: Randy Taylor

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

Leventhal Senter & Lerman, PLLC  
2000 K Street, N.W., Suite 600  
Washington, D.C. 20006-1809  
Attn: Steven A. Lerman, Esq.

If to Buyer, to:

Arkansas County Broadcasters, Inc.  
2758 Highway 64  
Wynne, AR 72396-0789  
Attn: Bobby Caldwell

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

Womble Carlyle Sandridge & Rice, PLLC  
1401 Eye Street, N.W.  
Seventh Floor  
Washington, D.C. 20005  
Attn: John F. Garziglia, Esq.

Notice or other communication shall be deemed to have been given upon delivery. Any notice or other communication with respect to this Agreement sent by one party to another shall be sent as a copy to each party to this Agreement.

21.8. Multiple Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and this Agreement may be signed by the affixing of the signature of each party to one of such counterpart signature pages; all of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

21.9. Entire Agreement.

This Agreement represents the entire understanding of the parties hereto, supersedes all other and prior memoranda and agreements between the parties hereto and may not be modified or amended, except by a written instrument signed by each of the parties hereto designating specifically the terms and provisions so modified and amended.

21.10. Publicity.

All announcements and press releases concerning this Agreement and the transactions contemplated hereby shall be mutually agreed to by Buyer and Seller prior to their releases. Buyer and Seller agree that, except as and to the extent that such is required by law or by the FCC's Rules and Regulations, there shall be no public announcement or press release issued concerning this Agreement and the transactions contemplated hereby until the Closing Date.

21.11. Exclusive Dealings.

For as long as this Agreement is in effect and Buyer is not in material breach or default of this Agreement, neither Seller nor any person acting at Seller's direction or on Seller's behalf shall solicit or initiate any offer from, or conduct any negotiations with, any person concerning the acquisition of the Station, directly or indirectly, by any party other than Buyer and Buyer's agents, successors and assigns.

21.12. Section 73.1150 Statement. Buyer and Seller agree that Seller has retained no rights of reversion of the FCC licenses for the Station, no right to the reassignment of the FCC licenses for the Station in the future, and has not reserved the right to use the facilities of the Station in the future for any reason whatsoever.

21.13. Captions. The section captions and headings in this Agreement are for convenience and reference purposes only and should not affect in any way the meaning or interpretation of this Agreement.

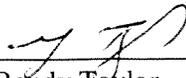
21.14. Exhibits and Schedules. The Exhibits and Schedules are hereby incorporated by reference into and made a part of this Agreement.

[THIS SPACE INTENTIONALLY BLANK – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day written above.

**SELLER:**

**CITADEL BROADCASTING COMPANY**

By:  \_\_\_\_\_  
Randy Taylor  
Vice President of Finance

**BUYER:**

**ARKANSAS COUNTY BROADCASTERS, INC.**

By: \_\_\_\_\_  
Bobby Caldwell  
President

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day written above.

**SELLER:**

**CITADEL BROADCASTING COMPANY**

By: \_\_\_\_\_  
Randy Taylor  
Vice President of Finance

**BUYER:**

**ARKANSAS COUNTY BROADCASTERS, INC.**

By: Bobby Caldwell  
Bobby Caldwell  
President

### **Schedule 1.1 - Tangible Assets**

- (1) FM Transmitter - BE FM-5T (damaged)
- (1) Processor - Orban Optimod 8000
- (1) Remote Control Sine Systems (Dial-Up)
- (2) Air Conditioners (Wall-Mounted)
- (1) Shively 3-bay antenna (damaged, on the ground)
- (1) Tower (dismantled and damaged, on the ground)
- (1) Frame Construction Transmitter Building (15' X 15')

**Schedule 1.2 - Real Property**

KAFN tower site (NW ¼ NW ¼, Section 14, Township 9 South, Range 4 West, Desha County, Arkansas): As described in the General Warranty Deed by and between Charles H. Dante and Jo Ann Meyers Dante, Grantors to Snider Corporation.

**Schedule 1.3 – Authorizations**

FCC FM Broadcast Station License for KAFN(FM), Gould, Arkansas (FCC File No. BLH-20000106AAV).

FCC Special Temporary Authority to Remain Silent (BLSTA-20030401CJK).

**Schedule 1.4 – Intangible Assets**

Call Sign “KAFN”

**Schedule 1.6 – Excluded Assets**

All assets not used exclusively in the operation of the Station, including all of Seller's assets at is Little Rock studios at 700 Wellington Hills, Little Rock, AR 72211.