

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made as of January 16, 2015, among Coast Radio Company, Inc., a California corporation, Contra Costa County Radio, Inc., a California corporation, KUIC, Inc., a Delaware corporation, and KKIQ, Inc., a California corporation (collectively “Seller”), Alpha Media II LLC and Alpha Media Licensee II LLC, each a Delaware limited liability company (collectively “Buyer”), Alpha Media LLC, a Delaware limited liability company (“Alpha”), and the trusts set forth as “Guarantors” on the signature page hereto.

Recitals

A. Seller owns and operates the following radio broadcast stations (collectively, the “Stations”) pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”):

KUIC(FM), Vacaville, CA (FCC Facility ID No. 54261)  
KKIQ(FM), Livermore, CA (FCC Facility ID No. 67818)  
KKDV(FM), Walnut Creek, CA (FCC Facility ID No. 36032)

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

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: SALE AND PURCHASE

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets, properties, interests and rights of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Stations, except the Excluded Assets (defined below) (the “Station Assets”), including, without limitation, the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the “FCC Licenses”), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing (defined below);

(b) all of Seller’s equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Stations (the

“Tangible Personal Property”), including, without limitation, those items listed on *Schedule 1.1(b)*;

(c) all of Seller’s real property used or held for use in the operation of the Stations (including any appurtenant easements and improvements located thereon), including, without limitation, those listed on *Schedule 1.1(c)* attached hereto (the “Real Property”);

(d) all agreements entered into in the ordinary course of business for the sale of advertising time on the Stations for cash at usual and customary rates for the times in question that are cancelable without penalty that exist at Closing, and all other contracts, agreements and leases that are used in the operation of the Stations and listed on *Schedule 1.1(d)* (the “Station Contracts”);

(e) all of Seller’s rights in and to the Stations’ call letters and Seller’s rights in and to the trademarks, trade names, service marks, copyrights, domain names, websites, web content, computer software, programs and programming material, jingles, slogans, logos, Facebook, Twitter and other social media accounts, and other intangible property that is used or held for use in the operation of the Stations, including, without limitation, those listed on *Schedule 1.1(e)* (the “Intangible Property”);

(f) all interests of Seller in all programs and programming materials and elements of whatever form or nature used or held for use in the operation of the Stations, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common-law and statutory copyrights used or held for use in the operation of the Stations;

(g) Seller’s rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations’ local public files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs; and

(h) all claims (including warranty claims), deposits and prepaid expenses (subject to proration pursuant to Section 1.7), and Seller’s goodwill in, and the going concern value of, the Stations.

1.2 Liens. The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances (“Liens”) except for (a) the Assumed Obligations (defined below), (b) statutory liens for taxes not yet due and payable, and (c) those Liens set forth on *Schedule 1.2*, which shall be released on or prior to Closing. Items (a), (b) and (c) above are collectively referred to herein as the “Permitted Encumbrances.”

1.3 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include (a) Seller’s cash and cash equivalents; (b) Seller’s insurance policies; (c) Seller’s employee benefit plans; (d) the Stations’ accounts receivable and any other rights to payment of cash consideration for goods or services

sold or provided prior to the Effective Time (defined below) or commencement of the LMA (defined below), as applicable, or otherwise arising during or attributable to any period prior to the Effective Time, or commencement of the LMA, as applicable (the “A/R”); (e) Seller’s corporate names; or (f) any asset set forth on *Schedule 1.3* attached hereto (collectively, the “Excluded Assets”).

1.4 Assumed Obligations. On the Closing Date, Buyer shall assume the obligations of Seller arising after Closing under the Station Contracts (the “Assumed Obligations”). Except for the Assumed Obligations and except as provided in the LMA, Buyer does not assume and will not be deemed by execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed, any liabilities, obligations or commitments of Seller of any kind, whether or not disclosed to Buyer, including, without limitation, any liability, obligation or commitment of Seller under any contracts not included in the Station Contracts (the “Retained Liabilities”).

1.5 Purchase Price. The purchase price to be paid for the Station Assets shall be Eleven Million One Hundred Fifty Thousand Dollars (\$11,150,000) (the “Purchase Price”). The Purchase Price shall be paid at Closing in cash in immediately available funds pursuant to the written instructions (which shall instruct Alpha to pay the Post-Closing Escrow Deposit (defined below) to the Escrow Agent (defined below)) of Seller to be delivered by Seller to Buyer at least three (3) business days prior to Closing, which amount shall be increased or decreased by the proration amount referred to in Section 1.7 below.

1.6 Deposit and Post-Closing Escrow.

(a) Within five (5) days after the date of this Agreement, Alpha shall deliver an irrevocable letter of credit (the “L/C”) issued by U.S. Bank National Association (the “Issuing Bank”) in the stated amount of Five Hundred Fifty-Seven Thousand Five Hundred Dollars (\$557,500) (the “Escrow Deposit”), and with a term of one (1) year from the date hereof, to Deutsche Bank Trust Company Americas (the “Escrow Agent”) pursuant to the terms of an Escrow Agreement (the “Escrow Agreement”) of even date herewith among Alpha, Coast Radio Company, Inc., and the Escrow Agent. On the Closing Date, the L/C shall be returned to Alpha upon payment of the Purchase Price and delivery of the Post-Closing Escrow Deposit to the Escrow Agent. If this Agreement is terminated by Seller pursuant to Section 10.1(c), the L/C may be presented to the Issuing Bank and drawn in full with the proceeds retained by Seller, which shall serve as liquidated damages and be the sole and exclusive remedy of Seller. Seller hereby waives all other legal and equitable remedies it may otherwise have as a result of any breach or default by Buyer under this Agreement. If this Agreement is terminated for any other reason, the L/C shall be returned to Alpha. The applicable parties to the Escrow Agreement shall each instruct the Escrow Agent to disburse the Escrow Deposit to the party or parties entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. At Closing, Seller will execute and deliver to Alpha the Issuing Bank’s customary letter directing the Issuing Bank to cancel the L/C.

(b) On the Closing Date, Alpha shall wire Five Hundred Fifty-Seven Thousand Five Hundred Dollars (\$557,500) of the Purchase Price (the “Post-Closing Escrow Deposit”) to the Escrow Agent pursuant to the Escrow Agreement in order to secure in part Seller’s post-Closing obligations under this Agreement. If, after Closing, Buyer is entitled to a payment under this Agreement, then when such payment is due, unless otherwise paid by Seller, Alpha and Seller shall give joint written instructions to the Escrow Agent to disburse the amount thereof from the Post-Closing Escrow Deposit to Alpha. On the date six (6) months prior to the Survival Date (defined in Section 9.1), a portion of the Post-Closing Escrow Deposit shall be disbursed to Seller in an amount equal to the difference between (a) fifty percent (50%) of the then-existing balance of the Post-Closing Escrow Deposit and (b) the amount to which Buyer shall have, prior to such date, made a claim pursuant to the procedures set forth in Article 9 and for which the obligations to indemnify shall not have been satisfied by such date. On the Survival Date, the remaining balance of the Post-Closing Escrow Deposit shall be disbursed to Seller, except for the amount to which Buyer shall have, prior to such date, made a claim pursuant to the procedures set forth in Article 9 and for which the obligations to indemnify shall not have been satisfied by such date (the “Outstanding Escrow Claims”). Alpha further agrees that promptly after the Outstanding Escrow Claims are resolved pursuant to the procedures set forth in Article 9, it shall instruct the Escrow Agent to release to Seller any remaining Post-Closing Escrow Deposit held by the Escrow Agent pursuant to the terms of the Escrow Agreement. The parties shall from time to time instruct the Escrow Agent to disburse the Post-Closing Escrow Deposit as required by this Section, and shall not, by any act or omission, delay or prevent any such disbursement. All interest earned on the Post-Closing Escrow Deposit shall be for the benefit of Seller.

#### 1.7 Prorations and Adjustments.

(a) Except as provided in the LMA, all prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Stations shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles (“GAAP”) as of 11:59 p.m. Pacific time on the day immediately preceding the Closing Date (the “Effective Time”).

(b) Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes (except transfer taxes as provided by Section 11.1), FCC regulatory fees, music and other license fees, utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. Except as contemplated by the LMA, Seller shall receive a credit for all of the Stations’ deposits. Sales commissions related to the sale of advertisements broadcast on the Stations prior to Closing or commencement of the LMA, as applicable, shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after Closing or commencement of the LMA, as applicable, shall be the responsibility of Buyer. Except as contemplated by the LMA, all other prorations and adjustments shall be made no later than ninety (90) days after Closing. If the amount of any real or personal property tax or FCC annual regulatory fee is not known on the Closing Date, such tax shall be apportioned on the basis of the most recent tax

assessment or annual regulatory fee amount with appropriate adjustments made to “true up” the actual versus estimated amounts once such amounts are available following Closing.

(c) Notwithstanding the foregoing, and exclusive of the barter balance in connection with the tower lease for KKDV which shall be prorated in full, with respect to trade, barter or similar agreements for the sale of time for goods or services that are included in the Station Contracts, if at the commencement of the LMA, (i) Seller has a negative barter balance in excess of Forty Thousand Dollars (\$40,000) (*i.e.*, the amount by which the value of air time to be provided after Closing exceeds the fair market value of corresponding goods and services to be received after such date), then the balance in excess of such threshold shall be treated as prepaid time sales and adjusted for at Closing as a proration in Buyer’s favor, or (ii) Seller has a positive barter balance, then there shall be no proration or adjustment for such balance. If, at the commencement of the LMA, Seller has a negative barter balance of Forty Thousand Dollars (\$40,000) or less, there shall be no adjustment or proration to account for such barter balance.

(d) Notwithstanding anything to the contrary contained herein, there shall be no adjustment for and Seller shall remain solely liable for any contracts or agreements not included in the Assumed Obligations.

1.8 Allocation. After Closing, Buyer and Seller shall allocate the Purchase Price in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”). The allocation shall be determined by mutual agreement of the parties. Buyer and Seller each further agrees to file its federal income tax returns and its other tax returns reflecting such allocation as and when required under the Code. If the parties cannot agree on an allocation of the Purchase Price, the parties shall hire Bond and Pecaro, Inc. to determine such allocation, which shall be binding on the parties. The parties shall instruct the appraiser to deliver his report within ninety (90) days after his appointment. Buyer and Seller shall each be responsible for one-half of the cost of such appraisal.

1.9 Closing. The consummation of the sale and purchase of the Station Assets pursuant to this Agreement (“Closing”) shall take place within ten (10) business days after the date that the FCC Consent (defined below) either (at Buyer’s option) is initially granted or becomes Final (defined below), in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 6 or 7 below (other than those requiring a delivery of a certificate or other document, or the taking of other action, at Closing). The date on which Closing is to occur is referred to herein as the “Closing Date.”

1.10 FCC Consent.

(a) Within five (5) business days after the date of this Agreement, Buyer and Seller shall file an application (the “FCC Application”) requesting FCC

consent to the assignment of the FCC Licenses from Seller to Buyer (the “FCC Consent”). Seller and Buyer shall diligently prosecute the FCC Application. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application, and shall furnish all information required by the FCC. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

(b) Seller shall, at its expense, timely take any reasonable action requested by the FCC with respect to any pending FCC enforcement or other matters related to the Stations, including, without limitation, entering into a customary tolling agreement, establishing an escrow or making other arrangements satisfactory to the FCC.

1.11 LMA. Simultaneously herewith, Seller and Alpha Media II LLC are entering into a Local Programming and Marketing Agreement (the “LMA”), pursuant to which, among other things, and subject to the terms and conditions of the LMA, Alpha Media II LLC will provide programming for, and be entitled to receive the revenues from the sale of advertising time on, the Stations.

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

2.1 Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to own and operate the Stations, to carry on the Stations’ business as now conducted by it, and to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

2.2 Authorization. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Seller (the “Seller Authorization”) and do not require any further authorization or consent of Seller. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Seller enforceable in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. The execution, delivery and performance by Seller of this Agreement and the documents to be made pursuant hereto do not conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller

is subject, and do not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent, and except for counter-party consent to assign those Station Contracts designated on *Schedule 1.1(d)*.

## 2.4 FCC Licenses.

(a) Seller holds the FCC Licenses listed and described on *Schedule 1.1(a)*. Such FCC Licenses constitute all of the authorizations required under the Communications Act of 1934, as amended (the “Communications Act”), or the rules, regulations and policies of the FCC for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or, to Seller’s knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Licenses (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending or, to Seller’s knowledge, threatened against Seller or the Stations by or before the FCC. Seller and the Stations are in compliance in all material respects with the FCC Licenses, the Communications Act and the rules, regulations and policies of the FCC. The Stations are operating at full power in accordance with their FCC-licensed parameters.

(b) Seller and the Station Assets are in compliance in all material respects with all rules and regulations of the Federal Aviation Administration applicable to the Stations. All reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Stations (including, without limitation, all required equal employment opportunity reports) have been timely filed and paid. All such reports and filings are accurate and complete in all material respects. Seller maintains public files for the Stations as required by FCC rules.

(c) The operation of the Stations does not expose workers or others to levels of radio frequency radiation in excess of the “Radio Frequency Protection Guides” recommended in “American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz” (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Licenses would not constitute a “major action” within the meaning of Section 1.1301, *et seq.*, of the FCC’s rules.

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

2.6 Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. Except as set forth on *Schedule 1.1(b)*, each item of Tangible Personal Property is in good operating condition

and repair (ordinary wear and tear excepted), is free from material defect or damage, is functioning in the manner and purposes for which it was intended and has been maintained in accordance with industry standards.

2.7 Real Property. *Schedule 1.1(c)* contains a description of all real property used or held for use in the business or operation of the Stations (“Real Property”). *Schedule 1.1(c)* includes a description of any lease or similar agreement under which Seller is lessee or licensee of, or holds, uses or operates, any real property in the business or operation of the Stations (the “Real Property Leases”). The Real Property Leases provide sufficient access to the Stations’ facilities without need to obtain any other access rights. No part of any Real Property is subject to any pending or, to Seller’s knowledge, threatened suit for condemnation or other taking by any public authority. All buildings and other improvements included in the Real Property are in good operating condition and repair (ordinary wear and tear excepted) and free from material defect or damage and comply with applicable zoning, health and safety laws and codes. To Seller’s knowledge, the Stations’ towers, guy wires and anchors, ground systems and other facilities and improvements do not encroach upon any adjacent premises, and no facilities from adjacent premises encroach upon the Stations’ properties.

2.8 Contracts. *Schedule 1.1(d)* contains a list of all contracts used in the operation of the Stations (other than ordinary course time sales agreements for cash at usual and customary rates that are cancellable without penalty). Each of the Station Contracts (including, without limitation, each Real Property Lease) is in effect and is binding upon Seller and, to Seller’s knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors’ rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller’s knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. There are no Station Contracts between Seller and any affiliate of Seller. Seller has delivered to Buyer true and complete copies of each Station Contract (including each Real Property Lease), together with all amendments thereto.

2.9 Environmental. To Seller’s knowledge, no hazardous or toxic substance or waste (including, without limitation, petroleum products) or other material regulated under any applicable environmental, health or safety law is located or has been generated, stored, transported or released on, in, from or to the Real Property or the Station Assets. Seller has complied and is in compliance in all material respects with all environmental, health and safety laws applicable to the Stations or the Station Assets. Seller has not received in respect of the Stations or Station Assets any notice or claim to the effect that it is or may be liable under any environmental, health or safety law. To Seller’s knowledge, neither the Stations nor any Station Assets are the subject of any investigation by any governmental authority with respect to a violation of any environmental, health or safety law. Seller does not have in its possession any environmental reports or assessments applicable to the Real Property or the Stations.



2.10 Intangible Property. Seller has all right, title and interest in and to all trademarks, service marks, trade names, copyrights and all other intangible property necessary to the conduct of the Stations as presently operated. *Schedule 1.1(e)* contains a description of all material Intangible Property. Except as disclosed in *Schedule 1.1(e)*, Seller's use of the Intangible Property does not infringe upon any third party rights, and Seller has received no notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict). No Intangible Property is the subject of any pending, or, to Seller's knowledge, threatened legal proceedings claiming infringement or unauthorized use. The Stations have the exclusive right to use the Intangible Property. Except as disclosed in *Schedule 1.1(e)*, no Station programming or other material used or broadcast by the Stations infringes upon any copyright, patent or trademark of any other party.

2.11 Employees. Seller has provided to Buyer a list of all of the Stations' employees and their position and rate of compensation, and a description of all of Seller's employee benefit plans. Except as set forth in *Schedule 2.11*, there are no employment agreements included in the Station Contracts. Seller has complied and is in compliance with all labor and employment laws, rules and regulations applicable to the Stations' business, including, without limitation, those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and is not liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing. There is no unfair labor practice charge or complaint against Seller in respect of the Stations' business pending or threatened before any court or governmental authority, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Stations' business. Seller is not party to any collective bargaining, union or similar agreement with respect to the employees of Seller at the Stations, and no union represents or claims to represent or is attempting to organize such employees.

2.12 Station Assets. Except for the Excluded Assets, the Station Assets constitute all the assets used or held for use in the business or operation of the Stations. The Station Assets are sufficient to permit Buyer to operate the Stations as currently conducted by Seller. Seller has good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. At Closing, Seller will transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. Seller maintains sufficient insurance policies with respect to the Stations and the Station Assets and will maintain such policies in full force and effect until Closing.

2.13 Compliance with Law. Seller has complied and is in compliance with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Stations or the Station Assets in all material respects. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Stations or the Station Assets. To Seller's knowledge, there are no complaints, claims or investigations pending or threatened against Seller in respect of the Stations or the Station Assets. Seller has all permits, licenses and other governmental

authorizations necessary to conduct the business and operation of the Stations as currently conducted by it.

2.14 Financial Statements.

(a) Seller has provided to Buyer true and complete copies of the (i) audited balance sheets for the business of the Stations as of December 31, 2012 and December 31, 2013, and the related audited statements of income for the years then ended, (ii) unaudited balance sheets of the business of the Stations as of December 31, 2014, and the related unaudited statements of income for the calendar year to date then ended, and (iii) monthly internal operating statements of the Stations for 2013 and 2014 (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP consistently applied, are true, correct and complete, and present fairly the net assets, financial position and results of operations of the Stations as of their respective dates and for the respective periods covered thereby. All of the assets reflected on the Financial Statements are assets of the Stations.

(b) Except as set forth in the most recent balance sheet included in the Financial Statements (and other current obligations of similar kind and amount incurred in the ordinary course of business since the date of such balance sheet), there are no liabilities associated with the business of the Stations. From December 31, 2013 through the date of this Agreement, there have been no material adverse changes in the financial condition or the results of operations of the Stations.

(c) The Broadcast Cash Flow (defined below) of the Stations includes all expenses required to operate the Stations as of the date thereof. As used herein, "Broadcast Cash Flow" means net cash income from the operations of the Stations (before interest, taxes, depreciation and amortization), determined in accordance with GAAP consistently applied.

2.15 No Finder. Except for Media Venture Partners, LLC, the fees of which will be paid by Seller, no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf. Payment of any broker engaged by Seller shall be Seller's sole cost and expense.

2.16 Disclosure. This Agreement and the documents made pursuant hereto do not and will not contain any untrue statement of material fact or omit to state a material fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and if such qualification is

necessary, is (or will be at Closing) qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

3.2 Authority. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Buyer (the “Buyer Authorization”) and will not at Closing require any further authorization or consent of Buyer. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. The execution, delivery and performance by Buyer of this Agreement and the documents to be made pursuant hereto do not conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject, and do not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority that has not been obtained or will not be obtained prior to Closing, except the FCC Consent.

3.4 Qualification. Buyer is qualified to hold the FCC Licenses under the Communications Act and the rules, regulations and policies of the FCC as they exist on the date of this Agreement.

3.5 No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer’s behalf. Payment of any broker engaged by Buyer shall be Buyer’s sole cost and expense.

#### ARTICLE 4: SELLER COVENANTS

4.1 Covenants. From the date hereof until Closing, Seller shall, subject to the LMA:

(a) operate the Stations in the ordinary course of business consistent with past practice and keep its books and accounts, records and files in the ordinary course, and preserve the business and goodwill of the Stations and the Station Assets (including, without limitation, using commercially reasonable efforts to retain employees, advertisers, customers and vendors);

(b) operate the Stations in accordance with the terms of the FCC Licenses and in compliance in all material respects with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Licenses in full force and effect, and timely file and diligently prosecute any necessary applications for renewal of the FCC Licenses;

(c) keep all Tangible Personal Property and Real Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies, spare parts and other materials as have been customarily maintained in the past, and otherwise preserve intact the Station Assets and maintain in effect its current insurance policies with respect to the Stations and the Station Assets;

(d) deliver to Buyer copies of monthly internal operating statements for the Stations by the twenty-fifth (25<sup>th</sup>) day after the end of each calendar month, which shall present fairly the financial condition of the Stations and the results of operations for the period indicated in accordance with GAAP;

(e) at the request of Buyer, from time to time give Buyer reasonable access during normal business hours, without material disruption of the ordinary business operations of the Stations, to all of the Stations' employees, facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records and files, equipment, machinery, fixtures, furniture, vehicles and all other Station Assets, and provide Buyer all other information concerning the Station as Buyer may reasonably request;

(f) pay accounts payable in the ordinary course of business consistent with past practice;

(g) not, without the prior written consent of Buyer:

(i) sell, lease or otherwise dispose of any Station Assets except for non-material dispositions in the ordinary course of business of items which are replaced by assets of comparable or superior kind, condition and value;

(ii) create, assume or permit to exist any Liens on the Station Assets, and not dissolve, liquidate, merge or consolidate with any other entity, except for Permitted Encumbrances and those Liens set forth on *Schedule 1.2* to be released on or prior to Closing;

(iii) increase the compensation or benefits payable to any employee of the Stations, or enter into any employment, labor or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing, or make or commit to make any payment for severance or bonus to any employee of the Stations that will be binding upon Buyer after Closing;

(iv) modify any of the FCC Licenses; or

(v) amend or terminate any of the Station Contracts, or enter into any contract, lease or agreement with respect to the Stations except for ordinary course cash time sales agreements and any other agreements entered into in the ordinary course of business that will be paid and performed in full before Closing.

## ARTICLE 5: JOINT COVENANTS

5.1 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except on a confidential basis to the parties' attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the transaction contemplated by this Agreement.

5.2 Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that this Agreement and the terms hereof will be filed with the FCC Application and thereby become public.

5.3 Control. Consistent with FCC rules and subject to the LMA, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4 Risk of Loss. The risk of loss of or damage to any of the Station Assets shall remain with Seller at all times until 12:01 a.m. Pacific time on the day of Closing, and prior to Closing, Seller shall use commercially reasonable efforts to repair and replace any lost or damaged Station Assets. If any Station Asset is lost or damaged prior to the Closing Date (any such event being referred to as an "Event of Loss"), Seller shall promptly notify Buyer in writing of the Event of Loss. The notice shall specify with particularity the loss or damage incurred, the cause of the Event of Loss, if known or reasonably ascertainable, and the applicable insurance coverage, if any. If the Station Asset is so lost or damaged and cannot be completely repaired or replaced by the scheduled date of Closing, but can be accomplished within 60 days after that date, then, at Buyer's election, (a) the parties will proceed to Closing, Seller shall assign and deliver to Buyer all insurance proceeds involved, and the Purchase Price shall be reduced by the reasonably estimated out-of-pocket cost to complete such repair or replacement up to \$300,000 (the "Threshold Amount"), or (b) the date of Closing shall be postponed for up to that 60-day period to allow Seller an opportunity to repair or replace the Station Asset; provided, however, that Seller shall not be obligated to repair or replace such items if the out-of-pocket cost of such repairs or replacement would exceed the Threshold Amount. If (i) Seller has not completed such repairs or replacement by the end of the 60-day period (or if such repairs or replacement cannot be accomplished within such 60-day period) or (ii) if the reasonably estimated out-of-pocket cost to complete such repairs or replacement exceeds the Threshold Amount and Seller has elected not to repair or replace such items, then, at Buyer's election, (y) Buyer may terminate this Agreement, or (z) the parties will proceed to Closing, Seller shall assign and deliver to Buyer all insurance proceeds involved, and the Purchase Price shall be reduced by the reasonably estimated out-of-pocket cost to complete such repair or replacement up to the Threshold Amount. The Schedules shall be deemed modified to reflect any damaged Station Asset for which

Seller makes or is obligated to make a payment or which is replaced by Seller pursuant to this Section 5.4.

5.5 Broadcast Interruption. If prior to Closing any Station is off the air or operating at a power level that results in a material reduction in coverage (a “Broadcast Interruption”), then Seller shall return such Station to the air and restore prior coverage as promptly as possible. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption in excess of twenty-four (24) hours, then Buyer may postpone Closing until the date five (5) business days after such Station returns to the air and prior coverage is restored in all material respects, subject to Section 10.1; provided, however, if a Broadcast Interruption is caused by or results from Buyer’s actions or omissions under the LMA, Buyer shall have no right to postpone Closing or terminate this Agreement.

5.6 Consents. Prior to Closing, Seller shall obtain the Required Consents (defined below) and the Required Estoppel Certificates (defined below), each in a form reasonably acceptable to Buyer. In addition, Seller shall use commercially reasonable efforts to obtain the other consents (in a form reasonably acceptable to Buyer) noted on *Schedule 1.1(c)* and *Schedule 1.1(d)* and customary estoppel certificates (in a form reasonably acceptable to Buyer) from the lessors under the Real Property Leases which are not Required Estoppel Certificates. To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed at Closing pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Seller and assumption by Buyer of Seller’s rights and obligations under the applicable Station Contract, with Seller making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Seller’s behalf; provided, however, that *Schedule 1.1(c)* and *Schedule 1.1(d)* identify those consents the receipt of which is a condition precedent to Buyer’s obligation to close under this Agreement (the “Required Consents”) and *Schedule 1.1(c)* identifies those estoppel certificates the receipt of which is a condition precedent to Buyer’s obligation to close under this Agreement (the “Required Estoppel Certificates”).

5.7 Employees.

(a) Buyer will offer post-LMA commencement employment to all employees of the Stations, except for those employees of the Stations set forth on *Schedule 5.7*, at substantially the same salary and wages as provided by Seller as of the date hereof. Within thirty (30) days after commencement of the LMA, Buyer shall give Seller written notice identifying (i) all Transferred Employees (defined below) and (ii) all individuals who were employed by Seller prior to the commencement of the LMA, who were offered employment with Buyer who did not accept such offers.

(b) With respect to employees of the Stations hired by Buyer (“Transferred Employees”), Seller shall be responsible for all compensation and benefits arising prior to the commencement of the LMA (in accordance with Seller’s employment terms), and Buyer shall be responsible for all compensation and benefits arising after the

commencement of the LMA (in accordance with Buyer's employment terms). Seller makes no representation as to whether such employees will accept employment with Buyer. With respect to all Transferred Employees, in connection with the prorations under Section 1.7, an adjustment shall be made in favor of Buyer in an amount equal to the value of any accrued vacation time and any accrued sick leave.

(c) Buyer shall permit Transferred Employees (and their spouses and dependents) to participate in its "employee welfare benefit plans" (including without limitation health insurance plans) and "employee pension benefit plans" (as defined in ERISA) in which similarly situated employees are generally eligible to participate, with coverage effective immediately upon the commencement of the LMA (and without exclusion from coverage on account of any pre-existing condition), with service with Seller deemed service with Buyer for purposes of any length of service requirements, waiting periods, vesting periods and differential benefits based on length of service, and with credit under any welfare benefit plan for any deductibles or co-insurance paid for the current plan year under any plan maintained by Seller if permitted by Buyer's current employee benefit plan. Seller shall provide coverage to all Transferred Employees through the last day of the month in which the commencement of the LMA occurs.

(d) As of the commencement of the LMA, Buyer shall credit each Transferred Employee with the unused and outstanding vacation, sick days, personal days or leave ("PTO") earned and/or accrued by each Transferred Employee from Seller through the commencement of the LMA and shall permit such accrued PTO to be used by Transferred Employees after the commencement of the LMA in accordance with the PTO policies of Buyer; provided that Buyer shall not, prior to one (1) year following the commencement of the LMA, permit any reduction or elimination of such accrued PTO (other than through utilization of such PTO by the Transferred Employees).

(e) Nothing herein shall constitute an amendment to any Employee Benefit Plan as defined in the Employee Retirement Income Security Act of 1974, restrict Seller's or Buyer's ability to change or terminate the benefits or benefit plans provided to employees of the Stations (including Transferred Employees), nor shall Buyer be required to provide to any employee any of the terms and conditions of employment provided by Seller, subject, however, to the requirements of this Section 5.7 and of any written employment agreements of Seller which Buyer agrees to assume. This Section 5.7 shall operate exclusively for the benefit of the parties to this Agreement and not for the benefit of any other person, including, without limitation, any current, former or retired employee of Seller or Buyer.

(f) Until the Closing Date, while operating pursuant to the LMA, Buyer shall use commercially reasonable efforts to preserve the business and goodwill of the Stations and the Station Assets (including, without limitation, using commercially reasonable efforts to retain the Transferred Employees).

5.8 Environmental. With respect to any ground lease included in the Station Assets, prior to Closing Buyer may, at its expense, engage environmental consultants to conduct one or more environmental reviews (each an "Assessment"). Seller shall provide

access for each Assessment upon reasonable prior notice. If any Assessment identifies a condition requiring remediation under environmental, health or safety laws, then Seller shall begin any remedial action required by applicable law and shall use commercially reasonable efforts to complete such remedial action to the satisfaction of Buyer before the Closing Date; provided, however, that Buyer and Seller hereby agree to extend the Closing Date for a period of up to sixty (60) days to enable Seller to complete such remedial action; provided, further, that in the event that Seller's cost of such remedial action will exceed Two Hundred Fifty Thousand Dollars (\$250,000), Seller may elect to forego remedial action and terminate this Agreement without further obligation hereunder unless Buyer agrees to close, in which case the Purchase Price shall be reduced by Two Hundred Fifty Thousand Dollars (\$250,000) and Buyer shall not be entitled to raise any claims which relate to such a condition disclosed in the Assessment pursuant to Section 9.2(a). Except as specified herein, Buyer shall not be obligated to close until any condition identified in the Assessment is remedied to Buyer's reasonable satisfaction.

5.9 Accounts Receivable. Prior to or on the LMA commencement date, Seller shall provide to Buyer a true and complete list of the A/R as of the commencement of the LMA and the aging thereof. During the one hundred twenty (120) day period following the commencement of the LMA (the "Collection Period"), Buyer shall use reasonable efforts to collect the A/R, consistent with its usual collection practices (but without obligation to institute legal proceedings or use any other extraordinary means of collection). Each payment received by Buyer that is not specifically designated in writing as a payment of a particular invoice or invoices shall be presumptively applied by Buyer to the A/R for such customer outstanding for the longest amount of time; provided, however, that if, after the commencement of the LMA, Buyer or Seller receives a written notice of dispute from a customer with respect to an A/R that has not been resolved, then Buyer shall apply any payments from such customer to such customer's oldest, non-disputed A/R. Buyer shall remit such collections to Seller within ten (10) days after the end of each calendar month in the Collection Period. At the end of the Collection Period, Buyer shall return to Seller any uncollected A/R, and Buyer shall have no further obligation with respect to the A/R.

5.10 Final Order.

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

(b) If Closing occurs prior to a Final FCC Consent, and prior to becoming Final the FCC Consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Station Assets shall be



rescinded. In such event, Buyer shall reconvey to Seller the Station Assets, and Seller shall repay to Buyer the Purchase Price and reassume the Assumed Obligations.

(c) Any such rescission shall be consummated on a mutually agreeable date within thirty (30) days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Station Assets to Seller and execution by Seller of instruments of assumption of the Assumed Obligations) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

#### ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate Closing is subject to satisfaction of the following conditions at or prior to Closing:

6.1 Bringdown. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of Closing, Buyer shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Seller shall have received a certificate dated as of the Closing Date from Buyer (executed by an authorized officer) to the effect that the conditions set forth in this Section 6.1 have been satisfied (the “Buyer Bringdown Certificate”).

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

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

6.4 Deliveries. Buyer shall have made the deliveries to be made by it at Closing under this Agreement.

#### ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate Closing is subject to satisfaction of the following conditions at or prior to Closing:

7.1 Bringdown. The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of Closing, Seller shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Buyer shall have received a certificate dated as of Closing Date from Seller (executed by an authorized officer) to the effect that the conditions set forth in this Section 7.1 have been satisfied (the “Seller Bringdown Certificate”).

7.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 FCC Consent. The FCC Consent shall have been granted and shall have become Final.

7.4 Deliveries. Seller shall have made the deliveries to be made by it at Closing under this Agreement.

7.5 Change. Other than changes related to the LMA, there shall have been no material adverse change in the business or results of operations of the Stations or the condition of the Station Assets.

7.6 Consents. The Required Consents and Required Estoppel Certificates shall have been obtained.

7.7 Real Property. Seller shall have taken and completed all steps reasonably requested by Buyer to remedy any problems revealed by any Assessment as provided in Section 5.8. Seller and Buyer shall have received all necessary approvals from local authorities for the assignment of the Real Property Leases to Buyer and for the continued use by Buyer of the Real Property Leases without the requirement of any variances or special use permits, or the payment of any fees or costs except as provided in Section 11.1.

7.8 Liens. Any Liens that are not Permitted Encumbrances shall have been released or payoff letters agreeing to release said Liens shall have been delivered by the lienholders.

#### ARTICLE 8: CLOSING DELIVERIES

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

- (a) a good standing certificate issued by each Seller's jurisdiction of formation;
- (b) a certified copy of the Seller Authorization;
- (c) the Seller Bringdown Certificate;
- (d) an Assignment of FCC Licenses assigning the FCC Licenses to Buyer;
- (e) an Assignment and Assumption of Contracts assigning the Station Contracts to Buyer;

- (f) an Assignment and Assumption of Leases assigning the Real Property Leases to Buyer;
- (g) an Assignment of Marks assigning the Stations' registered marks (if any) to Buyer;
- (h) domain name transfers assigning the Stations' domain names from Seller to Buyer following customary procedures of the domain name administrator;
- (i) endorsed vehicle titles conveying the vehicles (if any) included in the Tangible Personal Property to Buyer;
- (j) a bill of sale conveying the Station Assets to Buyer;
- (k) the Required Consents and Required Estoppel Certificates;
- (l) any other estoppel certificates and consents to assignment obtained by Seller;
- (m) customary payoff letters and other appropriate documents necessary to release all Liens (except for Permitted Encumbrances) on the Station Assets;
- (n) the Issuing Bank's customary direction letter pursuant to Section 1.6(a); and
- (o) any other documents and instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Encumbrances.

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

- (a) good standing certificates issued by Buyer's jurisdiction of formation;
- (b) The Purchase Price in accordance with the terms of this Agreement;
- (c) a certified copy of the Buyer Authorization;
- (d) the Buyer Bringdown Certificate;
- (e) an Assignment and Assumption of Contracts assuming the obligations arising after Closing under the Station Contracts;
- (f) an Assignment and Assumption of Leases assuming the obligations arising after Closing under the Real Property Leases;

(g) domain name transfers assigning the Stations' domain names from Seller to Buyer following customary procedures of the domain name administrator; and

(h) any other documents and instruments of assumption that may be reasonably necessary to assume the Assumed Obligations.

#### ARTICLE 9: SURVIVAL AND INDEMNIFICATION

9.1 Survival. The representations and warranties in this Agreement shall survive Closing for a period equal to the greater of (a) twelve (12) months from the Closing Date or (b) 15 months from the date of commencement of the LMA (the end of such period, the "Survival Date"), at which time they shall expire and be of no further force or effect, except (i) those under Section 2.5 (Taxes) and Section 2.9 (Environmental), which shall survive until the expiration of any applicable statute of limitations, (ii) those with respect to title to the Station Assets, which shall survive indefinitely, and (iii) that if within such applicable period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the resolution of such claim. The covenants and agreements in this Agreement shall survive Closing until performed. No investigation of the parties made heretofore or hereafter shall affect the representations and warranties of the parties contained in or made pursuant hereto.

#### 9.2 Indemnification.

(a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyer and its affiliates and their respective employees, officers, directors, successors and assigns (each a "Buyer Indemnified Party") from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

- (i) any breach by Seller of its representations and warranties under this Agreement;
- (ii) any default by Seller of its covenants and agreements under this Agreement;
- (iii) the Retained Liabilities; and
- (iv) without limiting the foregoing, subject to the LMA, the business or operation of the Stations prior to Closing (including any third party claim arising from such operations).

Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (A) Seller shall have no liability to any Buyer Indemnified Party under Section 9.2(a)(i) until Buyer and all Buyer Indemnified Parties' aggregate Damages exceed \$50,000 (the "Basket") (at which point Seller shall be liable for all Damages incurred by Buyer Indemnified Parties, including the Basket) and (B) the maximum aggregate

liability of Seller under Section 9.2(a)(i) shall be an amount equal to \$2,787,500 (the “Cap”).

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller and its affiliates and their respective employees, officers, directors, successors and assigns (each a “Seller Indemnified Party”) from and against any and all Damages incurred by any Seller Indemnified Party arising out of or resulting from:

- (i) any breach by Buyer of its representations and warranties under this Agreement;
- (ii) any default by Buyer of its covenants and agreements under this Agreement;
- (iii) the Assumed Obligations; and
- (iv) without limiting the foregoing, the business or operation of the Stations after Closing (including any third party claim arising from such operations).

Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (A) Buyer shall have no liability to any Seller Indemnified Party under Section 9.2(b)(i) until Seller and all Seller Indemnified Parties’ aggregate Damages exceed the Basket (at which point Buyer shall be liable for all Damages incurred by Seller Indemnified Parties, including the Basket) and (B) the maximum aggregate liability of Buyer under Section 9.2(b)(i) shall be an amount equal to the Cap.

### 9.3 Procedures.

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

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably satisfactory to the parties. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party’s cost.

(c) Notwithstanding anything herein to the contrary:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of any Claim, and shall have the right to consult with the indemnifying party and its counsel

concerning any Claim, and the indemnifying party and the indemnified party shall cooperate in good faith with respect to any Claim; and

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

#### ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. This Agreement may be terminated prior to Closing as follows:

(a) by mutual written consent of Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller:

(i) does not perform the obligations required to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer:

(i) does not perform the obligations required to be performed by it under this Agreement on the Closing Date, all conditions to its obligation to do so having been satisfied or waived; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period;

(d) by written notice of Buyer to Seller, or of Seller to Buyer, if the FCC denies the FCC Application; or

(e) by written notice of Buyer to Seller, or of Seller to Buyer, if Closing does not occur by the date one (1) year after the date of this Agreement; or

(f) by written notice of Seller to Buyer, or of Buyer to Seller, pursuant to the provisions of Sections 5.4 and 5.8; or

(g) by written notice of Seller to Buyer, or Buyer to Seller, if the LMA is terminated in accordance with its terms.

The term “Cure Period” as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (1) fifteen (15) days thereafter or (2) the Closing Date. Termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.6 (Deposit and Post-Closing Escrow), 5.1 (Confidentiality), 5.2 (Announcements) and 11.1 (Expenses) shall survive any termination of this Agreement.

10.2 Specific Performance. In the event of a breach or threatened breach by Seller of any representation, warranty, covenant, obligation or agreement under this Agreement, at Buyer’s election, in addition to any other remedy available to it, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

#### ARTICLE 11: MISCELLANEOUS.

11.1 Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that all governmental taxes, fees and charges applicable to the request for FCC Consent shall be shared equally by Buyer and Seller, and Seller shall be solely responsible for all governmental taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement.

11.2 Further Assurances. After Closing, each party hereto shall execute all such instruments and take all such actions as any other party may reasonably request, without payment of further consideration, to effectuate the transactions contemplated by this Agreement, including, without limitation, the execution and delivery of confirmatory and other transfer documents in addition to those to be delivered at Closing.

11.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Seller may not assign any of its rights or delegate any of its obligations hereunder, and any such attempted assignment or delegation without such consent shall be void. Buyer may assign its right to acquire the Station Assets (in whole or in part) without Seller’s consent, but any such assignment shall not relieve Buyer of any obligations under this Agreement.

11.4 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third (3<sup>rd</sup>) day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller, then to:

Coast Radio Company, Inc.  
555 Mason Street  
Suite 245  
Vacaville, CA 95688  
Attention: James E. Levitt, Chairman  
Facsimile: (707) 446-0122

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

Garvey Schubert Barer  
Flour Mill Building  
1000 Potomac Street NW, 5th Floor  
Washington, DC 20007-3501  
Attention: Melodie A. Virtue  
Facsimile: (202) 965-1729

if to Buyer, then to:

Alpha Media II LLC  
1015 Eastman Drive  
Bigfork, MT 59911  
Attention: Larry Wilson, Chairman  
Facsimile: (406) 837-5393

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

Alpha Media II LLC  
1211 SW 5th Avenue, Suite 750  
Portland, OR 97204  
Attention: Donna Heffner, CFO  
Facsimile: (503) 517-6501

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

Wiley Rein LLP  
1776 K Street, NW  
Washington, DC 20006  
Attention: Kathleen A. Kirby  
Facsimile: (202) 719-7049

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

11.6 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the choice of law provisions thereof. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement may recover reasonable attorneys' fees and costs from the non-prevailing party.

11.7 Miscellaneous. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless in a



writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their respective successors and permitted assigns. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together constitute one and the same agreement. Delivery of a signature page hereto by facsimile transmission or other method of electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

11.8 Guaranty. John F. Levitt and Shari Lynn Levitt, Trustees of the Levitt Revocable Trust, dated 1/13/1999 (“JFL Trust”), and James E. Levitt, Trustee of the James E. Levitt Separate Property Trust, dated 1/15/1999 (“JEL Trust”) (the JFL Trust and the JEL Trust, collectively, “Guarantors”) hereby confirm that they directly or indirectly control one hundred percent of each entity comprising Seller and they derive benefit from and desire to induce Buyer to enter into this Agreement. The Guarantors (a) jointly and severally, personally guarantee to Buyer the timely payment and performance in full of Seller’s post-Closing obligations under this Agreement up to \$2,230,000, and (b) agree that the obligations of Guarantors are primary and direct and not conditioned or contingent upon pursuit of any remedies against Seller and, except as set forth in this Section 11.8, such obligations are not limited or affected by any circumstance that might otherwise limit or affect the obligations of a surety or guarantor, all of which are hereby waived by Guarantors to the fullest extent permitted by law.

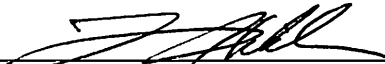
[SIGNATURE PAGE FOLLOWS]

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SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: ALPHA MEDIA II LLC

By:   
Name: Lawrence R. Wilson  
Title: Chairman

ALPHA MEDIA LICENSEE II LLC

By:   
Name: Lawrence R. Wilson  
Title: Chairman

SELLER: COAST RADIO COMPANY, INC.

By: \_\_\_\_\_  
Name: James E. Levitt  
Title: Chairman

CONTRA COSTA COUNTY RADIO, INC.

By: \_\_\_\_\_  
Name: James E. Levitt  
Title: Chairman

KUIC, INC.

By: \_\_\_\_\_  
Name: James E. Levitt  
Title: Chairman

KKIQ, INC.

By: \_\_\_\_\_  
Name: James E. Levitt  
Title: Chairman

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: ALPHA MEDIA II LLC

By: \_\_\_\_\_  
Name: Lawrence R. Wilson  
Title: Chairman

ALPHA MEDIA LICENSEE II LLC

By: \_\_\_\_\_  
Name: Lawrence R. Wilson  
Title: Chairman

SELLER: COAST RADIO COMPANY, INC.

By: \_\_\_\_\_  
Name: James E. Levitt  
Title: Chairman

CONTRA COSTA COUNTY RADIO, INC.

By: \_\_\_\_\_  
Name: James E. Levitt  
Title: Chairman

KUIC, INC.

By: \_\_\_\_\_  
Name: James E. Levitt  
Title: Chairman

KKIQ, INC.

By: \_\_\_\_\_  
Name: James E. Levitt  
Title: Chairman

With respect to Section 11.8:

GUARANTORS:

JAMES E. LEVITT SEPARATE PROPERTY TRUST,  
DATED 1/15/1999

By: 

James E. Levitt, Trustee

LEVITT REVOCABLE TRUST,  
DATED 1/13/1999

By: 


John F. Levitt, Co-Trustee

By: 

Shari Lynn Levitt, Co-Trustee

With respect to Section 1.6:

ALPHA MEDIA LLC

By:   
Name: Lawrence R. Wilson  
Title: Chairman

## Index to Schedules

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