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**ASSET PURCHASE AGREEMENT**

**between**

**MARATHON MEDIA GROUP LLC**

**and**

**SIMMONS MEDIA GROUP, INC.**

**Effective: December 29, 2000**

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## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of December 29, 2000, is entered into by and between Marathon Media Group LLC, a Delaware limited liability company (the "Seller"), and Simmons Media Group, Inc., a Utah corporation (the "Buyer").

### **RECITALS**

A. Seller is the owner and operator of radio Stations KREC (FM), licensed to Brian Head, Utah, KUNF-AM, licensed to Washington, Utah (collectively, the "Stations"), and the sole owner of all of the capital stock (the "Stock") of Two Mile High, Inc. ("Two Mile High"), the owner of real property related to KREC (FM). Seller and Two Mile High are each sometimes referred to in this Agreement as "Owner."

B. The Seller desires to sell to the Buyer substantially all of the assets relating to the Stations, and the Stock, and the Buyer desires to purchase such assets and the Stock, on the terms and conditions contained in this Agreement.

C. Simultaneous with the execution hereof, the parties have executed a Local Marketing Agreement (the "LMA") which shall become effective on December 15, 2000.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### **1. Sale and Purchase of Assets.**

1.1 Sale of Assets to the Buyer. At the closing referred to in Section 3, the Seller shall sell and assign to the Buyer, and the Buyer shall purchase and acquire, (i) all of the assets of the Seller used exclusively in the operations of the Stations (excluding the assets referred to in Section 1.2) as those assets exist on the Closing Date (as defined below) and (ii) the Stock. Except as otherwise provided in Section 1.2, the assets of the Stations to be sold and assigned (collectively, the "Assets") include the following:

(a) all broadcast licenses (the "FCC Licenses") for the Stations issued by the Federal Communications Commission (the "Commission") and any other permits and authorizations (and applications for any of them) relating to the operation of the Stations listed on Schedule 4.6;

(b) all equipment, transmitting towers, transmitters, supplies, vehicles, furniture, fixtures and leasehold improvements, improvements on land, any tapes and compact discs owned by the Stations, and all other tangible personal property, wherever located, that is owned by the Seller and used in the operation of the Stations listed on Schedule 1.1(b);

(c) all leasehold interests in the real property used by the Seller relating to the Stations which is described on Schedule 4.8;

(d) all rights of the Seller under leases, commitments and other agreements relating to the business and operations of the Stations (i) set forth on Schedule 4.11, and (ii) any other leases, commitments and other agreements relating to the business and operations of the Stations that are entered into consistent with the provisions of Section 6.2 between the date of this Agreement and the Closing Date.

(e) all of the Seller's rights to use the call letters of the Stations, the trademarks, trade names, logos and other intellectual property listed on Schedule 4.9 (the "Intangible Assets"), together with the good will of the business associated with the Intangible Assets;

(f) all of the Seller's rights in connection with any "barter" transactions and "trade" agreements relating to the Stations;

(g) all of the Seller's rights under manufacturers' and vendors' warranties, if any, relating to items included in the Assets and all similar rights against third parties relating to items included in the Assets; and

(h) subject to Section 1.2(b), all files, logs and business records of every kind relating to the operations of the Stations, including, but not limited to, programming information and studies, technical information and engineering data, advertising studies or consulting reports, sales correspondence, lists of advertisers, promotional materials, and credit and sales records.

1.2 Excluded Assets. The following assets shall be retained by the Seller and shall not be sold or assigned to the Buyer:

(a) the account books of original entry and general ledgers and all limited liability company records of the Seller, including, but not limited to, tax returns and transfer books;

(b) all prepaid expenses and security deposits;

(c) all cash, bank accounts, certificates of deposit, commercial paper, treasury bills and notes and all other marketable securities;

(d) any tax refunds;

(e) all accounts receivable of the Stations, including, without limitation, accounts receivable for broadcast time and services provided prior to the effective date of the LMA (the "Accounts Receivable");

(f) all employee plans and assets relating to those plans;

(g) all claims and rights against all persons or entities whatsoever, to the extent not relating to the Assets; and

(h) the other assets listed on Schedule 1.2.

1.3 Excluded Liabilities.

The Buyer shall not assume any liabilities of the Seller set forth on Schedule 1.3.

**2. Purchase Price.**

2.1 Amount of Consideration. As full consideration for the Assets:

(a) The Buyer shall pay to the Seller, the amount of \$1,500,000 (the "Purchase Price"); subject to adjustment as provided in Section 2.2, which amount, less the Deposit Amount (as defined below), shall be paid by the Buyer to the Seller at the closing by federal wire transfer of same-day funds pursuant to wire instructions, which wire instructions shall be delivered by the Seller to the Buyer at least two business days prior to the Closing Date; and

(b) at the closing, the Buyer shall assume, and shall agree to pay, perform and discharge, (i) all of the obligations and liabilities of the Seller under the leases, commitments and other agreements relating to the Stations that are assigned to the Buyer pursuant to Section 1.1 and (ii) all other obligations and liabilities of the Seller that relate to the operations of the Stations (except for excluded liabilities set forth on Schedule 1.3), including, but not limited to, accounts payable and accrued expenses, and accrued vacation, severance, sick pay and similar obligations.

2.2 Adjustments to Purchase Price. (a) The Purchase Price shall be increased or decreased as required to effectuate the proration of expenses relating to the Stations. All expenses arising from the operation of the Stations, including business and license fees, Commission annual regulatory fees, employment-related expenses (including, without limitation, vacation and other benefit accruals), utility charges, real and personal property taxes and assessments levied against the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges, taxes (except for taxes arising from the transfer of the Assets under this Agreement), and similar prepaid and deferred items shall be prorated between the Buyer and the Seller in accordance with the principle that the Seller shall be responsible for all expenses, costs, and liabilities allocable to the Stations for the period prior to the Closing Date, and the Buyer shall be responsible for all expenses, costs, and obligations allocable to the Stations for the period on and after the Closing Date. All prorations shall be made in a manner that does not effect the economic arrangement set out in the LMA. The prorations for all Contracts shall be calculated as of 12:01 a.m. on December 15, 2000 (the "LMA Commencement Date").

2.3 Deposit. Prior to the date hereof, the Buyer deposited \$10,000 in escrow with Media Services Group (the "Escrow Agent"). Upon execution of this Agreement, the Buyer is delivering \$40,000 to the Escrow Agent, to be held by the Escrow Agent, together with the \$10,000 previously deposited (collectively, the "Deposit Amount"), pursuant to the terms of an

escrow agreement (in the form of Exhibit 2.3) being executed simultaneously with the execution of this Agreement, and subject to the following:

(a) If the purchase of the Assets and the Stock under this Agreement is not consummated, as a result of a breach by the Buyer of any of its obligations under this Agreement, the Seller shall be entitled to the Deposit Amount (together with interest thereon), as liquidated damages, to compensate the Seller for the damages resulting to the Seller from such breach.

(b) If the purchase of the Assets and the Stock under this Agreement is not consummated due to the nonfulfillment of any of the conditions in Section 7.1 or Section 10.1(a) or (b), except as a result of the Buyer's breach of any of its obligations under this Agreement, the Seller shall not be entitled to the Deposit Amount (or interest thereon) and, promptly after the termination of this Agreement, the Deposit Amount (together with interest thereon) shall be paid by the Escrow Agent to the Buyer.

(c) At the closing, the parties shall cause the Deposit Amount (and interest earned thereon) to be paid to the Seller.

2.4 Allocation of Purchase Price. The aggregate Purchase Price shall be allocated among the Assets and the Stock for tax purposes in accordance with Schedule 2.4. The Seller and the Buyer will follow and use such allocation in all tax returns, filings or other related reports made by them to any governmental agencies. To the extent that disclosures of this allocation are required to be made by the parties to the Internal Revenue Service ("IRS") under the provisions of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code") or any regulations thereunder, the Buyer and the Seller will disclose such reports to the other prior to filing with the IRS.

**3. Closing.** The closing under this Agreement shall take place at the Chicago offices of Greenberg Traurig, LLP (or at such other place as may be agreed upon by the Buyer and the Seller) no later than the tenth business day after the conditions specified in Sections 7.1(c) and 7.2(c) have been fulfilled (or waived) or on such other date as the parties may agree upon. The date on which the closing is held is referred to in this Agreement as the "Closing Date." At the closing, the parties shall execute and deliver the documents referred to in Section 8.

**4. Representation and Warranties by the Seller.** The Seller represents and warrants to the Buyer as follows:

4.1 Organization and Authority. The Seller is a limited liability company, validly existing under the laws of the State of Delaware and has the full power and authority under Delaware law and its operating agreement to enter into and to perform this Agreement. Two Mile High is a corporation validly existing under the laws of the State of Utah and has the full power and authority under Utah law and its charter and by-laws to enter into and to conduct its business.

4.2 Authorization of Agreement. The execution, delivery and performance of this Agreement by the Seller has been duly authorized by all necessary limited liability company

action of the Seller, and this Agreement, when executed and delivered, will constitute the legal, valid and binding obligation of the Seller enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 Consents of Third Parties. Subject to receipt of the consents and approvals referred to in Schedule 4.3, the execution, delivery and performance of this Agreement by the Seller will not (i) conflict with the certificate of formation or the operating agreement of the Seller and will not conflict with, or result in a breach or termination of, or constitute a default under, any lease, agreement, commitment or other instrument, or any order, judgment or decree, to which either Owner is a party or by which either Owner is bound or to which any of the Assets of Seller or the assets of Two Mile High (collectively, the "Stations Assets") is subject, except for any conflicts, breaches, terminations or defaults that are not in the aggregate material to the Seller's performance of this Agreement or to the business of the Stations taken as a whole; (ii) constitute a violation by either Owner of any law applicable to it; or (iii) result in the creation of any lien, claim, charge or encumbrance ("Lien") upon any of the Assets, other than Liens that do not in the aggregate materially detract from the value of, or materially interfere with, the operations of the Stations taken as a whole. Except as set forth in Schedule 4.3, no consent, approval or authorization of, or designation, declaration or filing with, any governmental authority is required on the part of the Seller in connection with the execution, delivery and performance of this Agreement.

4.4 Capitalization. The authorized capital stock of Two Mile High consists of a single class of 1,000 shares of common stock, no par value, of which 100 shares are issued and outstanding. There are no shares of capital stock of Two Mile High of any other class authorized, issued or outstanding. All of the issued and outstanding shares have been validly issued, are fully paid and nonassessable, and are owned beneficially and of record by Seller, free and clear of all claims, equities, security interests, liens, proxies and restrictions on transfer. There are no outstanding subscriptions, options, warrants, rights (including preemptive rights), calls, convertible securities or other agreements or commitments of any character relating to the issued or unissued capital stock or other securities of Two Mile High obligating Two Mile High to issue any securities of any kind.

4.5 Title of Assets. The Seller has, or at closing will have, good title to all of the Assets, free and clear of any Lien, except for (i) liens for current taxes not yet due and payable or which are being contested in good faith, (ii) liens of lessors covering leased property, (iii) purchase money security interests, and (iv) in the case of real property, for imperfections of title and easements that do not materially adversely affect the use of the property or materially detract from the value of the property to the Buyer.

4.6 Permits. Set forth in Schedule 4.6 is a complete and accurate list of FCC Licenses applicable to the Stations, and all other material permits, licenses, approvals, franchises, notices and authorizations issued by any governmental authorities (collectively, the "Permits") applicable to the Stations. The Stations are operating in all material respects in accordance with



the Communications Act of 1934 and the FCC Licenses are in compliance, in all material respects, with the rules, regulations and policies of the Commission. The Permits are all of the material permits, licenses, approvals, franchises, notices and authorizations required for conduct of the business of the Stations. Except as set forth in Schedule 4.6, (a) all of the Permits are in full force and effect, (b) the Seller has not engaged in any activity which would cause or permit revocation or suspension of any such Permit and (c) at the closing, no action or proceeding looking to or contemplating the revocation or suspension of any such Permit shall be pending or, to the knowledge of the Seller, threatened.

4.7 Financial Statements. Attached hereto as Schedule 4.7 are Seller's financial records fairly presenting, in all material respects, the financial position and the results of operations of the Stations as of the dates and for the periods indicated therein.

4.8 Real Property. Schedule 4.8 contains a list and brief description of all real property which is owned or leased by either Owner.

4.9 Intangible Assets. Except as set forth on Schedule 4.9, the Seller owns the Intangible Assets free and clear of any Liens.

4.10 Litigation; Compliance with Laws. There is no claim, litigation, proceeding or governmental investigation pending or, to the knowledge of Seller, threatened, or any order, injunction or decree outstanding, against the Seller relating to the Stations or the Stations Assets, which if adversely determined might (i) have a material adverse effect on the business or operations of the Stations taken as a whole or (ii) prevent the consummation of the transactions contemplated by this Agreement.

4.11 List of Agreements. Schedule 4.11 contains, with respect to the Stations, a complete list of: (i) all future commitments and other agreements for the purchase of materials, supplies or equipment, other than commitments and other agreements that were entered into in the ordinary course of business and involve an expenditure of less than \$15,000 for any one commitment or two or more related commitments; (ii) all notes and agreements relating to any indebtedness that are secured by any of the Stations Assets; (iii) all leases or other rental agreements related to the operations or business of the Stations involving an amount greater than \$15,000; (iv) all "barter" and "trade" agreements involving an amount greater than \$15,000; (v) all collective bargaining agreements; and (vi) all other agreements, commitments and understandings (written or oral) that require payment of more than \$15,000 individually. True and complete copies of all written leases, commitments and other agreements referred to on Schedule 4.11 have been delivered or made available to the Buyer.

4.12 Status of Agreements. Each of the agreements, commitments and leases referred to in Section 4.11 are in full force and effect in accordance with its terms and except as set forth on Schedule 4.12. Seller is not in default, and, to the knowledge of the Seller, no other party is in default under any agreement referred to in Section 4.11, which default would have a material adverse effect upon the operations or business of the Stations taken as a whole.

4.13 Insurance. Schedule 4.13 contains a complete list of all of the insurance policies owned by the Seller and which shall relate to the operations of the Stations. True and complete copies of all of those policies have been delivered or made available to the Buyer.

4.14 Environmental Matters. The Seller has provided to the Buyer true and correct copies of all environmental site assessments, studies, reports and communications (the "Reports"), if any, which are in its possession and which relate to the real property described in Section 4.8. To the knowledge of the Seller, except for matters contained in the Reports, there are no other conditions or facts that constitute or give rise to any material violation, by or with respect to the Stations, of the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation Liability Act, as amended, the state or local counterparts of any of the foregoing, or any other applicable environmental laws.

4.15 Commission Reports. All material returns, reports and statements required to be filed by the Seller with the Commission relating to the Stations have been filed and complied with and are complete and correct in all material respects as filed.

4.16 Finders, Brokers. Neither the Seller nor anyone acting on its behalf has taken any action that, directly or indirectly, would obligate the Buyer to anyone acting as broker, finder, financial advisor or in any similar capacity in connection with this Agreement or any of the transactions contemplated by this Agreement. The Seller shall be solely responsible for fees which will become due and payable to Media Services Group upon the closing, as described in the letter of intent between Seller and Buyer dated September 12, 2000.

4.17 Liabilities of Two Mile High.

Attached hereto as Schedule 4.17 is a list of all material liabilities of Two Mile High, including debts or obligations whether or not secured by the Assets.

4.18 Compliance with Law.

To the best knowledge of the Seller, the operation of the Stations has not materially violated and is not in material violation of any applicable federal, state or local laws, or regulations which violation would materially and adversely affect the business of the Stations.

4.19 Taxes and Tax Returns.

To the best knowledge of the Seller, Two Mile High has filed all United States Federal income tax returns and all other material tax returns which are required to be filed by it and has paid all taxes which are uncontested and due pursuant to such returns or pursuant to any assessment received by the Seller. The charges, refunds, receivables, accruals and reserves on the books of Two Mile High in respect of taxes or other governmental charges are, to the best knowledge of the Seller, adequate. To the Seller's knowledge, Two Mile High has paid or accrued all federal, state and local income taxes, withholding taxes, sales taxes, worker's

compensation and unemployment insurance payments, owed by it for the period including up to but not including the Closing Date.

4.20 Bankruptcy.

Two Mile High, since the Seller's ownership, has not made any assignment for the benefit of creditors, filed any petition in bankruptcy, been adjudicated insolvent or bankrupt, petitioned or applied to any tribunal for any receiver, conservator or trustee of any of their property or assets, or commenced any proceeding under any reorganization arrangement, readjustment of debt, conservation, dissolution or liquidation law or statute of any jurisdiction; and no such action or proceeding has been commenced or threatened against Two Mile High by any creditor, claimant, government agency or other person.

4.21 Pension Plans and Employee Matters.

To the best knowledge of the Seller, except as disclosed in Schedule 4.21, Two Mile High is not a party to any pension, profit sharing or other similar employee benefit plan of any kind.

4.22 Employee Matters.

Schedule 4.22 sets forth a complete and accurate list of all employees at the Stations, their salary and bonus arrangement, accrued benefits attributable to each employee, a summary of the health and medical insurance benefits, vacation and sick pay policies, and a copy of all compensation or employment contracts to which the Seller is a party. To the best knowledge of the Seller, (i) there are no controversies pending or threatened between the Seller and any of the Seller's employees of the Stations except as disclosed in Schedule 4.22, and (ii) the Seller has no liability for any arrears of wages or taxes or penalties for failure to comply with any of the foregoing.

## **5. Representations and Warranties by the Buyer.**

The Buyer represents and warrants to the Seller as follows:

5.1 The Buyer's Organization and Authority. The Buyer is a corporation, validly existing under the laws of the state of Utah, and has the full power and authority to enter into and perform this Agreement and to own and operate, directly or indirectly, the Stations.

5.2 Authorization of Agreement. The execution, delivery and performance of this Agreement by the Buyer has been duly authorized by all necessary action of the Buyer and this Agreement, when executed and delivered, will constitute the legal, valid and binding obligation of the Buyer, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Consents of Third Parties. The execution, delivery and performance of this Agreement by the Buyer will not (i) conflict with the certificate of incorporation or by-laws of the Buyer and will not conflict with or result in the breach or termination of, or constitute a default under, any lease, agreement, commitment or other instrument, or any order, judgment or decree, to which the Buyer is a party or by which the Buyer is bound or (ii) constitute a violation by the Buyer of any law applicable to it. No consent, approval or authorization of, or designation, declaration or filing with, any governmental authority is required on the part of the Buyer in connection with the execution, delivery and performance of this Agreement, except for consent of Buyer's Senior Lender, Bank of New York and the filing referred to in Section 6.1.

5.4 Litigation. There is no claim, litigation, proceeding or governmental investigation pending or, to the best of the Buyer's knowledge, threatened, or any order, injunction or decree outstanding, against Buyer or any of its affiliates that would prevent the consummation of the transactions contemplated by this Agreement.

5.5 Buyer's Qualification, Financial Resources. To the best of the Buyer's knowledge, the Buyer is legally, financially and otherwise qualified under the rules and regulations of the Commission and the Communications Act of 1934, as amended, to become the owner, operator and licensee, directly or indirectly, of the Stations. The Buyer has the financial resources necessary to consummate the purchase contemplated by this Agreement at the time provided for in Section 3.

5.6 Finders, Brokers. Neither the Buyer nor anyone acting on its behalf has taken any action that, directly or indirectly, would obligate the Seller to anyone acting as broker, finder, financial advisor or in any similar capacity in connection with this Agreement or any of transactions contemplated by this Agreement.

## **6. Further Agreements of the Parties.**

6.1 Filings. As soon as practicable, but in no event later than 5 business days after the date hereof, the parties shall file with the Commission an application (the “Application”) requesting consent to the transactions contemplated by this Agreement. The parties shall prosecute the Application with all reasonable diligence and otherwise use their commercially reasonable efforts to obtain a grant of the Application as expeditiously as practicable. Each party agrees to comply with any condition imposed on it by the Commission consent, except that no party shall be required to comply with a condition if: (i) such condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by the party of any of its representations, warranties or covenants under this Agreement; and (ii) compliance with such condition would have a material adverse effect upon the operations or business of the Stations. The Buyer and the Seller shall oppose any requests for reconsideration or judicial review of the Commission consent. If the closing shall not have occurred for any reason within 10 days after receipt of the Commission consent, and no party shall have terminated this Agreement under Section 10, the parties shall jointly request an extension for consummation of the Commission consent. No extension of the Commission consent shall limit the exercise by either party of its rights under Section 10. All filing and grant fees, if any, paid to the Commission in connection with the Application shall be divided equally between the Seller and the Buyer.

6.2 Operations of the Stations. From the date hereof until the Closing Date and subject to the terms and provisions of the LMA:

(a) Generally. The Buyer shall operate the Stations in the ordinary course of business and in substantial conformity with (i) the FCC Licenses, the Communications Act of 1934, and the rules and regulations of the Commission, and (ii) all other material laws, ordinances, rules, regulations and orders relating to the operation of the Stations (except where such conduct would conflict with the following covenants or with the Seller’s other obligations under this Agreement).

(b) Compensation. The Buyer shall not increase the compensation, bonuses or other benefits payable to any person employed in connection with the conduct of the business or operations of the Stations, except in the ordinary course of business.

(c) Disposition of the Stations Assets. The Seller shall not sell, assign, lease or otherwise transfer or dispose of any of the Stations Assets, except in the ordinary course of business or in connection with the acquisition of replacement property of equivalent kind and value.

(d) Preservation of Business. The Buyer shall use commercially reasonable efforts to preserve the business and organization of the Stations and the Seller’s present relationships with employees, suppliers and customers and others having business relationships with the Seller that pertain to the Stations.

6.3 Access to Information. Prior to the closing, the Seller shall give to the Buyer and to its counsel, accountants and other authorized representatives, upon reasonable prior written notice, access during normal business hours throughout the period prior to the closing to all of the assets, books, commitments, agreements, records and files of the Owners relating to the Stations, except that the Buyer shall do no environmental testing without the consent of the Seller, and the Seller shall furnish to the Buyer during that period all documents and copies of documents and information concerning the business and affairs of the Stations as the Buyer reasonably may request. The Buyer shall hold, and shall cause its representatives to hold, all such information and documents and all other information and documents delivered pursuant to this Agreement confidential and, if the purchase and sale contemplated by this Agreement is not consummated for any reason, shall return to the Seller all such information and documents and any copies as soon as practicable, and shall not disclose any such information (that has not previously been disclosed other than by the Buyer) to any third party unless required to do so pursuant to a request or order under applicable laws and regulations or pursuant to a subpoena or other legal process. The Buyer's obligations under this Section shall survive the termination of this Agreement.

6.4 Consents, Assignment of Agreements. The Seller shall use commercially reasonable efforts (but the Seller shall not be required to make any payment, except in connection with the release of liens by the Seller's Senior Lender), to obtain at the earliest practicable date, all consents and approvals referred to in Section 4.3. If, with respect to any lease, commitment or agreement to be assigned to the Buyer, a required consent to the assignment is not obtained, the Seller shall use commercially reasonable efforts to keep it in effect and give the Buyer the benefit of it to the same extent as if it had been assigned, and the Buyer shall perform the Seller's obligations under the agreement relating to the benefit obtained by the Buyer. Nothing in this Agreement shall be construed as an attempt to assign any agreement or other instrument that is by its terms nonassignable without the consent of the other party.

6.5 Sales Taxes; Transfer Taxes. The Buyer shall pay any sales taxes and any stamp or transfer taxes, real or personal property taxes or recording fees payable in connection with the sale of the Assets and the Stock, and any fees for title insurance on the fee interest(s) acquired by the Buyer pursuant to this Agreement.

6.6 Employees; ERISA.

(a) Employment. The Buyer shall offer to employ all employees of the Stations in positions and on terms substantially similar to their present employment. The Buyer shall pay to any employee of the Stations that the Buyer terminates within one year after the Closing Date severance in accordance with the policy of the Stations.

(b) Employee Benefits Generally. The Buyer shall provide all employees of the Stations that become employees of the Buyer ("Covered Employees"), employee benefits that in the aggregate are substantially similar to the benefits provided by Seller, and the Buyer shall give each of the Covered Employees past service credit for purposes of eligibility and vesting under all employee benefit plans for employees of the Buyer at or after

the closing (and past service credit for all purposes, including the amount of benefits, under the severance, vacation, sick pay and similar policies of the Buyer).

(c) Medical Benefits. As of the Closing Date, the Buyer shall provide all Covered Employees (and their dependents) with medical benefit coverage under plan(s) maintained or established by the Buyer. The Buyer shall, with respect to Covered Employees of Seller, cause its plan(s) to waive any pre-existing condition exclusions and waiting periods (except to the extent that such exclusions would have been applied or waiting periods were not satisfied under Seller's medical plan) and to credit or otherwise consider any monies paid (or accrued) under the Seller's medical plan by Covered Employees (or their dependents) prior to the Closing Date toward any deductibles, co-pays or other maximums under its plan(s) during the first plan year after the Closing Date. The Buyer shall be responsible for satisfying its obligations under Section 601 et seq. of ERISA and Section 4980B of the Internal Revenue Code (the "Code") to provide continuation coverage ("COBRA") to any Covered Employee in accordance with law. The Buyer shall provide COBRA coverage to any employees of the Stations not employed by the Buyer on the Closing Date (and to any former employees of the Stations being provided COBRA coverage by the Seller on the Closing Date) to the extent required by COBRA.

6.7 Expenses. Each party shall bear its own expenses incurred in connection with the negotiation and preparation of this Agreement and in connection with all obligations required to be performed by it under this Agreement, except where specific expenses have been otherwise allocated by this Agreement.

6.8 Further Assurances. At any time and from time to time after the closing, each of the parties shall, without further consideration, execute and deliver to the other such additional instruments and shall take such other action as the other may reasonably request to carry out the transactions contemplated by this Agreement. For a period of three years after the closing, each party shall, upon reasonable prior notice, grant the other reasonable access during normal business hours to the books and records of that party for the purpose of complying with any applicable law or governmental rule or request relating to the period during which the other party, directly or indirectly, operated or controlled the Stations or as otherwise reasonably required.

6.9 Collection of Accounts Receivable.

Following the effective date of the LMA, the Buyer shall (i) assist the Seller in the collection of the Accounts Receivable for a period of 120 days following the Closing, (ii) endorse and deliver to the Seller, on or before the 15<sup>th</sup>, 30<sup>th</sup>, 45<sup>th</sup>, 60<sup>th</sup>, 75<sup>th</sup>, 90<sup>th</sup> and 120<sup>th</sup> days following the closing (each, a "Turnover Date") and thereafter, any checks or other instruments payable to the Buyer that are received on account of such receivables on or prior to any such date, (iii) deliver to the Seller on each Turnover Date and thereafter any checks or other payment instruments payable to or otherwise intended for the Seller on account of the Accounts Receivable. In addition, the Buyer hereby agrees and acknowledges (a) that the Accounts Receivable are solely the property of the Seller, (b) that all payments received by the Buyer or Buyer's lender on account of the Accounts Receivable shall be held in trust for the benefit of the

Seller, (c) that payments received from customers of the Buyer that owe payments to the Buyer and also owe payment to the Seller shall be applied first and to the full extent of the Accounts Receivable (unless otherwise specified by the payor), and (d) that all such payments shall be delivered to the Seller together with any necessary endorsements thereon, on each Turnover Date and thereafter. To the extent that Seller has not received payment on any Accounts Receivable as of the 120<sup>th</sup> day following the closing, the Buyer shall have no further obligation or right to collect the Accounts Receivable, unless otherwise agreed upon by the Seller and the Buyer and the Buyer shall promptly return any and all documentation to the Seller.

## **7. Conditions Precedent to Closing.**

7.1 Conditions Precedent to the Obligations of the Buyer. The Buyer's obligations to consummate the purchase under this Agreement are subject to the fulfillment, at or prior to the closing, of each of the following conditions (any of which may be waived in writing by the Buyer).

(a) all representations and warranties of the Seller under this Agreement shall be true at and as of the time of the closing with such exceptions as do not in the aggregate have a material adverse effect on the operations or business of the Stations;

(b) the Seller shall have performed and complied in all material respects with all obligations, covenants and conditions required by this Agreement to be performed or complied with by the Seller prior to or at the closing, including consents in accordance with Section 6.4;

(c) the Commission shall have given all requisite approvals and consents, without any condition or qualification materially adverse to the Buyer or the operations of the Stations, to the assignment of the FCC Licenses to the Buyer and the direct or indirect acquisition of control of the Stations by the Buyer as provided in this Agreement and such approvals shall have become a Final Order (as defined below);

(d) there shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in an action or proceeding against the consummation of the transactions contemplated by this Agreement; and

(e) the Buyer shall have been furnished with a certificate of an officer of Seller, dated the Closing Date, in form and substance reasonably satisfactory to the Buyer, certifying to the fulfillment of the conditions set forth in Sections 7.1(a) and (b).

For the purpose of this Agreement, "Final Order" means action by the Commission (i) which has not been vacated, reversed, stayed, set aside, annulled or suspended (ii) with respect to which no appeal, request for stay, or petition for rehearing, reconsideration or review by any party or by the Commission on its motion, is pending, and (iii) as to which the time for filing any such appeal, request, petition, or similar document for the reconsideration or review by the Commission on its own motion under the excess provisions of the Communications Act of 1934 and the rules and regulations of the Commission, has expired (or if



any such appeal, request, petition or similar document has been filed, a Commission order has been upheld in a proceeding pursuant thereto and no additional review or reconsideration may be sought).

7.2 Conditions Precedent to the Obligations of the Seller. The Seller's obligation to consummate or cause the consummation of the sale under this Agreement is subject to the fulfillment, at or prior to the closing, of each of the following conditions (any of which may be waived in writing by the Seller).

(a) all representations and warranties of the Buyer under this Agreement shall be true at and as of the time of the closing with such exceptions as do not in the aggregate have a material adverse effect on the ability of the Buyer to consummate the transactions contemplated by this Agreement;

(b) the Buyer shall have performed and complied in all material respects with all obligations, covenants and conditions required by this Agreement to be performed or complied with by it prior to or at the closing, including obtaining consent from Bank of New York;

(c) the Commission shall have given all requisite approvals and consents, without any condition or qualification materially adverse to the Seller, to the assignment of the FCC Licenses to the Buyer and the direct or indirect acquisition or control of the Stations by the Buyer as provided in this Agreement and such approvals shall have become a Final Order;

(d) there shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in an action or proceeding against the consummation of the transactions contemplated by this Agreement;

(e) the Seller shall have been furnished with a certificate of an officer of the Buyer, dated the Closing Date in form and substance reasonably satisfactory to the Seller, certifying to the fulfillment of the conditions set forth in Sections 7.2(a) and (b).

## **8. Transactions at the Closing.**

8.1 Documents to be Delivered by the Seller. At the closing, the Seller shall deliver to the Buyer the following:

(a) such bills of sale, assignments, deeds or other instruments of transfer and assignment, all in form and substance reasonably satisfactory to Buyer and its counsel, as shall be effective to vest in Buyer title to the Assets in accordance with Section 4.5;

(b) all original certificates for the Stock, together with stock powers or assignments separate from certificate therefor, duly endorsed by Seller;

(c) an opinion of Greenberg Traurig, LLP, counsel to the Seller, dated the Closing Date;

- (d) an opinion of Shainis & Peltzman, Commission counsel to the Seller, dated the Closing Date;
- (e) the certificate referred to in Section 7.1(e); and
- (f) copies of all consents and approvals received pursuant to Section 6.4; and
- (g) resignations of the officers and directors of Two Mile High.

8.2 Documents to be Delivered by the Buyer. At the closing, the Buyer shall deliver to the Seller the following:

- (a) wire transfer of funds in the amount provided in Section 2.1(a);
- (b) instruments, in form and substance reasonably satisfactory to the Seller and its counsel, pursuant to which the Buyer shall assume the obligations of the Seller to be assumed by the Buyer pursuant to Section 2.1(b);
- (c) an opinion of Callister, Nebeker & McCullough, counsel to the Buyer, dated the Closing Date; and
- (d) the certificate referred to in Section 7.2(e).

## **9. Survival of Representations and Warranties; Indemnification.**

9.1 Survival. All representations and warranties of the Seller and the Buyer contained in this Agreement shall survive the Closing Date, but neither party shall have any indemnification obligations under Section 9.2, except to the extent that notice of a claim of indemnification is asserted in writing and delivered to it by the other party prior to 5:00 p.m. Chicago time on the first anniversary of the date hereof. Any notice of a claim of indemnification shall state in reasonable detail the factual basis for the claim and the amount of liability asserted against the other party by reason of the claim to the extent known.

### **9.2 Indemnification.**

(a) Subject to the terms and provisions of this Section 9, the Seller shall indemnify and hold harmless the Buyer from and against all loss, liability, damage, and expense (including reasonable fees and expenses of counsel) (collectively, "Losses") that the Buyer may suffer, sustain or become subject to, arising from, or as a result of, (i) any misrepresentation or any breach by the Seller of any representation warranty or covenant or other agreement contained in this Agreement (unless waived by the Buyer) and (ii) the Seller's failure to pay and discharge any indebtedness for borrowed money (or interest or penalties with respect to indebtedness for borrowed money) incurred by the Seller, relating to the Stations prior to the Closing Date, and (iii) Losses arising prior to January 1, 2001.

(b) Subject to the terms and provisions of this Section 9, the Buyer shall indemnify and hold harmless the Seller from and against all Losses the Seller may suffer, sustain or become subject to, arising from or as a result of (i) any misrepresentation by the Buyer or any breach by the Buyer of any representation, warranty or covenant contained in this Agreement (unless waived by the Seller) and (ii) the Buyer's failure to pay, perform and discharge any obligation or liability assumed by the Buyer pursuant to this Agreement or arising after the Closing Date, and (iii) Losses arising on or after January 1, 2001.

(c) The Buyer and the Seller shall be deemed to have waived any misrepresentation or breach of warranty if, prior to the closing, it had actual knowledge of that misrepresentation or breach of warranty and the misrepresentation or breach of warranty resulted in a condition to its obligation to consummate the purchase pursuant to this Agreement not being fulfilled, but it nevertheless proceeded to consummate the purchase.

9.3 Defense of Claims. If any third party claim is made against either party (the "Indemnified Party") that, if suspended, would give rise to a liability of the other party (the "Indemnifying Party") for indemnification under this Agreement, the Indemnified Party shall promptly cause notice of the claim to be delivered to the Indemnifying Party and shall afford the Indemnifying Party and its counsel, at the Indemnifying Party's expense, the opportunity to defend or settle the claim. If such notice and opportunity are not given, or if the claim is settled without the Indemnifying Party's consent the Indemnifying Party shall not have any liability to the other party with respect to the claim. The Indemnified Party shall cooperate with the Indemnifying Party in the defense of the claim and may, at its own expense, participate in the defense, but complete control of the defense shall remain with the Indemnifying Party.

9.4 Limitation on Liability. Notwithstanding anything to the contrary in this Agreement, neither the Buyer nor the Seller shall have any indemnification obligations under Section 9.2 except to the extent that the aggregate Losses incurred by the other under Section 9.2 exceeds the sum of \$50,000. In calculating the amount of Losses to the Buyer or the Seller under Section 9.2, (a) such Losses shall be reduced by any reduction in tax liability and by any recovery from any third party (including insurance proceeds) as a result of the facts or circumstances giving rise to the Losses and (b) no amount shall be included in such Losses except for the party's actual out-of-pocket costs and expenses. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT SHALL THE BUYER BE ENTITLED TO ANY RECOVERY FROM SELLER WITH RESPECT TO CONSEQUENTIAL DAMAGES, INCLUDING CONSEQUENTIAL DAMAGES CONSISTING OF BUSINESS INTERRUPTION OR LOST PROFITS, OR WITH RESPECT TO PUNITIVE DAMAGES.

9.5 Cap on Liability. Notwithstanding anything to the contrary in this Agreement, the aggregate liability of the Seller to the Buyer for indemnification obligations shall be limited to \$350,000.

9.6 Exclusivity of Representations and Warranties. The representations and warranties contained in this Agreement are exclusive and supersede any other representations and warranties, express or implied in negotiations or otherwise, including, but not limited to, the warranties of merchantability and fitness for a particular purpose. The indemnification

provisions of this Section 9 shall be the exclusive remedy after the closing for any claim related to the transactions contemplated hereby, other than any claim based on fraud, including, without limitation, any breaches or alleged breaches of any representation, warranty or failure to fulfill any covenant or agreement contained herein. Each of the parties hereto, on behalf of itself and its officers, directors, employees, shareholders, partners, members, managers, affiliates, agents and representatives agrees, except for any claim based on fraud, not to bring any actions or proceedings, at law, equity or otherwise, against any other party or its officers, directors, employees, shareholders, partners, members, managers, affiliates, agents or representatives, in respect of any claim related to the transactions contemplated hereby, including, without limitation, any breaches or alleged breaches of any representation, warranty or failure to fulfill any covenants or alleged breaches of any representation, warranty or failure to fulfill any covenant or agreement contained herein, other than in accordance with the provisions of this Section 9.

## **10. Termination.**

10.1 Termination. Except with respect to provisions that expressly survive termination, this Agreement may be terminated.

- (a) by written agreement of the Buyer and the Seller;
- (b) by the Buyer or the Seller, by notice to the other, if at any time prior to the Closing Date any event shall have occurred or any state of facts shall exist that renders any of the conditions to its obligations as provided in this Agreement incapable of fulfillment on or before the time limitations set forth in this Agreement;
- (c) by the Buyer or the Seller, by notice to the other, if the closing has not occurred by December 31, 2001; or
- (d) by the Buyer or the Seller, by notice to the other, if the Commission designates for a hearing the Application.

10.2 Liability. The termination of this Agreement under Section 10.1(b), (c) or (d) shall not relieve any party of any liability for breach of this Agreement prior to the date of termination.

## **11. Miscellaneous.**

11.1 Notices. Any notice or other communication under this Agreement shall be in writing and shall be considered even when delivered personally, one day after being sent by recognized overnight courier or three days after being mailed by registered mail, return receipt requested, to the parties at the address set forth below (or at such other address as a party may specify by notice to the other).

To the Buyer:

Simmons Media Group, Inc.  
515 South 700 East  
Salt Lake City, Utah 84102  
Attention: David E. Simmons  
Facsimile: (801) 524-6002

with a copy to:

Callister Nebeker & McCullough  
Gateway Tower East  
Suite 900  
10 East South Temple  
Salt Lake City, Utah 84133  
Attention: Dorothy C. Pleshe  
Facsimile: (801) 364-9127

if to the Seller:

Marathon Media Group LLC  
980 North Michigan Avenue  
Chicago, Illinois 60611  
Attn.: Bruce Buzil  
Facsimile: (312) 587-9520

with a copy to:

Greenberg Traurig, LLP  
227 W. Monroe Street, Suite 3500  
Chicago, Illinois 60606  
Attn.: Robert E. Neiman, Esq.  
Facsimile: (312) 456-8435

11.2 Entire Agreement. This Agreement, including the Schedules and Exhibits, contains a complete statement of all the agreements, understandings and arrangements with respect to its subject matter, supersedes any previous agreement between them relating to that subject matter, and cannot be changed or terminated orally. Except as specifically set forth in this Agreement, there are no representations or warranties by either party in connection with the transactions contemplated by this Agreement.

11.3 Headings. The Section headings of this Agreement are for reference purposes only and are to be given no effect in the construction or interpretation of this Agreement.

11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of Utah (without regard to the choice of law provisions thereof).

11.5 Severability. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect.

11.6 Assignment. No party may assign any of its rights or delegate any of its duties under this Agreement without the consent of the other.

11.7 Publicity. Except as required by applicable law, no party shall issue any press release or other public statement regarding the transactions contemplated by this Agreement without consulting with the other.

11.8 Counterparts.

This Agreement may be executed in any number of counterparts, which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first above written.

MARATHON MEDIA GROUP LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SIMMONS MEDIA GROUP, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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