

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, made as of December 1, 2014, is by and between Fidelity Broadcasting Corporation ("*Seller*") and Compass Radio Group LLC ("*Buyer*").

RECITALS

Seller is the licensee of and operates the following radio broadcast stations (each a "*Station*," and collectively, the "*Stations*"), pursuant to licenses issued by the Federal Communications Commission (the "*FCC*"):

WEZV(FM), North Myrtle Beach, South Carolina (FCC Facility ID No. 49986);

WGTN-FM, Andrews, South Carolina (FCC Facility ID No. 23898); and

WYEZ(FM), Murrells Inlet, South Carolina (FCC Facility ID No. 34901).

Seller and Buyer have agreed that Seller will sell and Buyer will acquire substantially all of the assets of the Stations on the terms and subject to the conditions set forth in this Agreement, including the FCC's consent to the assignment of the FCC Licenses (as defined below) to Buyer. Definitions of certain capitalized terms used in this Agreement are set forth in **Article XI**.

Simultaneously with the execution of this Agreement, Seller and Buyer shall enter into a Local Marketing Agreement ("*LMA*") for the Stations, in which Buyer will provide programming on the Stations pursuant to the terms and conditions contained therein, thru the Closing of the this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I **ASSETS TO BE CONVEYED**

1.1 Station Assets. Pursuant to the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title and interest in, to and under all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used or held for use primarily in the operation of the Stations, but excluding the Excluded Assets as hereinafter defined. Except as provided in **Section 1.2**, the Station Assets include the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations, including those described on Schedule 1.1(a), and including any

pending applications for modifications thereof between the date hereof and the Closing (the “*FCC Licenses*”);

(b) all equipment, electrical devices, antennas, cables, tools, hardware, office furniture and fixtures, office materials and supplies, inventory, motor vehicles, spare parts and other tangible personal property of every kind and description used or held for use primarily in the operation of the Stations, except any retirements or dispositions of Tangible Personal Property made between the date hereof and Closing in the ordinary course of business and consistent with **Section 4.2** (the “*Tangible Personal Property*”);

(c) all contracts, agreements, leases and licenses used in the operation of the Stations, including those listed or described on Schedule 1.1(c), together with all contracts, agreements, leases and licenses made between the date hereof and Closing in the ordinary course of business consistent with **Section 4.2** (the “*Station Contracts*”);

(d) to the extent transferable, all of Seller’s rights in and to the Stations’ call letters, registered and unregistered trademarks, trade names, service marks, copyrights, jingles, logos, slogans, Internet domain names, Internet URLs, Internet web sites, content and databases, computer software, programs and programming material and other intangible property rights and interests applied for, issued to or owned by Seller that are used primarily in the operation of the Stations, including those listed on Schedule 1.1(d) (the “*Intangible Property*”);

(e) all files, documents, records and books of account (or copies thereof) relating primarily to the operation of the Stations, including the Stations’ public inspection files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs but excluding any such documents relating to Excluded Assets (as defined below); and

(f) all interests in real property, including any licenses to occupy, used or held for use primarily in the operation of the Stations described on Schedule 1.1(f) (the “*Real Property*”).

The assets to be transferred to Buyer hereunder are collectively referred to herein as the “*Station Assets*.” The Station Assets shall be transferred to Buyer free and clear of liens, mortgages, pledges, security interests, claims and encumbrances (“*Liens*”) except for Permitted Liens, if any, and except as otherwise expressly provided in this Agreement.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, Buyer expressly acknowledges and agrees that the following assets and properties of Seller (the “*Excluded Assets*”) shall not be acquired by Buyer and are excluded from the Station Assets:

(a) Seller’s books and records pertaining to the corporate organization, existence or capitalization of Seller;

(b) all cash, cash equivalents, bank accounts or similar type investments of Seller, such as certificates of deposit, treasury bills, marketable securities, asset or money market accounts or similar accounts or investments;

- (c) (i) all accounts receivable existing prior to the commencement of the LMA, and (ii) notes receivable, promissory notes or amounts due from employees;
- (d) intercompany accounts receivable, loans, and accounts payable;
- (e) all insurance policies or any proceeds payable thereunder;
- (f) all pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement;
- (g) all interest in and to refunds of Taxes relating to all periods prior to the Effective Time;
- (h) all tangible and intangible personal property disposed of or consumed between the date of this Agreement and the Closing Date, as permitted under this Agreement;
- (i) all rights to marks not used primarily in the operation of the Stations, whether or not previously used, and all goodwill associated therewith;
- (j) all ASCAP, BMI and SESAC licenses;
- (k) all items of personal property owned by personnel at the Stations;
- (l) any cause of action or claim relating to any event or occurrence prior to the Effective Time;
- (m) all rights of Seller under this Agreement or the transaction contemplated hereby;
- (n) the contracts identified on Schedule 1.2(n); and
- (o) warranty claims, deposits, and prepaid expenses related to the Stations.

1.3 Assumption of Obligations. At the Closing and except as otherwise provided in the LMA, Buyer shall assume and agrees to pay, discharge and perform:

(a) all debts, liabilities, obligations and commitments of Seller or its Affiliates of any kind, character or description (whether known or unknown, accrued, absolute, contingent or otherwise) relating to the ownership or operation of the Stations or the Station Assets to the extent they arise or relate to any period at or after the Effective Time, including:

(i) all liabilities, obligations and commitments of Seller under the Station Contracts to the extent they arise or relate to any period at or after the Effective Time;

(ii) all liabilities, obligations and commitments relating to transferred employees as specified in **Section 4.7**;

(iii) any current liability of Seller for which Buyer has received a credit under **Section 1.8**; and

(b) all liabilities and obligations relating to the Station Assets arising out of Environmental Laws, whether or not presently existing, except to the extent that Seller has undertaken to remediate an Environmental Condition under **Section 4.9** (Environmental) or is obligated under **Section 7.2(a)** (Indemnification) to indemnify Buyer for Losses arising out of or resulting from Seller's breach of any representation or warranty in **Section 2.12** (Environmental) (collectively, the "*Assumed Obligations*").

1.4 Retained Liabilities. Buyer does not assume or agree to discharge or perform and will not be deemed by reason of the execution and delivery of this Agreement or any agreement, instrument or documents delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed or to have agreed to discharge or perform, any liabilities, obligations or commitments of Seller of any nature whatsoever whether accrued, absolute, contingent or otherwise, other than the Assumed Obligations (the "*Retained Liabilities*").

1.5 Purchase Price.

(a) In consideration for the sale of the Station Assets, Buyer shall, at the Closing, in addition to assuming the Assumed Obligations, pay to Seller the sum of **One Million Six Hundred Thousand Dollars (\$1,600,000.00)** (the "*Purchase Price*") by wire transfer of immediately available federal funds pursuant to wire instructions that Seller shall provide to Buyer.

(b) Within twenty-four (24) hours of the execution and delivery of this Agreement, Buyer shall deposit **Fifty Thousand Dollars (\$50,000)** of the Purchase Price into escrow by wire transfer of immediately available federal funds (the "*Escrow Deposit*"). The Escrow Deposit shall be held and disbursed by Putbrese Hunsaker & Trent, P.C. as the escrow agent (the "*Escrow Agent*") pursuant to the terms of an escrow agreement in the form attached hereto as Exhibit A (the "*Escrow Agreement*"). At the Closing, the parties shall cause the Escrow Deposit to be paid to Seller and any interest on the Escrow Deposit to be paid to Buyer.

1.6 Closing. Subject to Section 8.1 hereof and except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the sale and purchase of the Station Assets and the assumption of the Assumed Obligations hereunder (the "*Closing*") shall take place (by electronic exchange of the documents to be delivered at the Closing) five (5) Business Days after the date that the FCC Consent becomes a Final Order, or on such earlier date following the FCC Consent that is mutually agreeable to Buyer and Seller, in either case provided that each of the other conditions to Closing set forth in Article V has been satisfied or waived. Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree in writing. The date on which the Closing is to occur is referred to herein as the "*Closing Date*." The effective time of the Closing shall be 11:59 p.m., local Station time, on the Closing Date (the "*Effective Time*").

1.7 General Proration.

(a) Except as provided in the LMA, all Station Assets that would be classified as assets in accordance with GAAP, and all Assumed Obligations that would be classified as

liabilities in accordance with GAAP (including accrued but unpaid commissions), shall be prorated between Buyer and Seller as of the Effective Time, including by taking into account the elapsed time or consumption of an asset during the month in which the Effective Time occurs (respectively, the “*Prorated Station Assets*” and the “*Prorated Assumed Obligations*”). Such Prorated Station Assets and Prorated Assumed Obligations relating to the period prior to the Effective Time shall be for the account of Seller and those relating to the period on or after the Effective Time for the account of Buyer and shall be prorated accordingly.

(b) Except as provided in the LMA, such prorations shall include all ad valorem and other property taxes, utility expenses, liabilities and obligations under Station Contracts, rents and similar prepaid and deferred items and all other expenses and obligations, such as accrued but unpaid commissions, deferred revenue and prepayments, attributable to the ownership and operation of the Stations that straddle the period before and after the Effective Time. If such amounts were prepaid by Seller prior to the Effective Time and Buyer will receive a benefit after the Effective Time, then Seller shall receive a credit for such amounts. If Seller was entitled to receive a benefit prior to the Effective Time and such amounts will be paid by Buyer after the Effective Time, Buyer will receive a credit for such amounts. To the extent not known, real estate and personal property taxes shall be apportioned on the basis of Taxes assessed for the preceding year, with a reapportionment as soon as the new tax rate and valuation can be ascertained even if such is ascertained after the Settlement Statement is so determined. Notwithstanding anything in this **Section 1.87** to the contrary, there shall be no proration under this **Section 1.87** for Tradeout Agreements.

(c) Accrued vacation liabilities for transferred employees pursuant to **Section 4.7** shall be included in the prorations, but there shall be no proration under this **Section 1.87** for sick leave for such employees.

(d) Within ninety (90) days after the Closing Date, Buyer shall prepare and deliver to Seller a proposed pro rata adjustment of assets and liabilities in the manner described in **Section 1.8(a)** and **Section 1.8(b)**, for the Stations, as of the Effective Time (the “*Settlement Statement*”) setting forth the Prorated Assumed Obligations and the Prorated Station Assets together with a schedule setting forth, in reasonable detail, the components thereof.

(e) During the 30-day period following the receipt of the Settlement Statement (i) Seller and its independent auditors, if any, shall be permitted to review and make copies reasonably required of (A) the financial statements of Buyer relating to the Settlement Statement; (B) the working papers of Buyer and its independent auditors, if any, relating to the Settlement Statement; (C) the books and records of Buyer relating to the Settlement Statement; and (D) any supporting schedules, analyses and other documentation relating to the Settlement Statement and (ii) Buyer shall provide reasonable access, upon reasonable advance notice and during normal business hours, to such employees of Seller and its independent auditors, if any, as Seller reasonably believes is necessary or desirable in connection with its review of the Settlement Statement.

(f) The Settlement Statement shall become final and binding upon the parties on the thirtieth (30th) day following delivery thereof, unless Seller gives written notice of its disagreement with the Settlement Statement (the “*Notice of Disagreement*”) to Buyer prior to

such date. The Notice of Disagreement shall specify in reasonable detail the nature of any disagreement so asserted. If a Notice of Disagreement is given to Buyer in the period specified, then the Settlement Statement (as revised in accordance with clause (i) or (ii) below) shall become final and binding upon the parties on the earlier of (i) the date Buyer and Seller resolve in writing any differences they have with respect to the matters specified in the Notice of Disagreement or (ii) the date any disputed matters are finally resolved in writing by the Accounting Firm.

(g) Within ten (10) Business Days after the Settlement Statement becomes final and binding upon the parties, (i) Buyer shall be required to pay to Seller the amount, if any, by which the Prorated Station Assets exceeds the Prorated Assumed Obligations or (ii) Seller shall be required to pay to Buyer the amount, if any, by which the Prorated Assumed Obligations exceeds the Prorated Station Assets. All payments made pursuant to this **Section 1.7(g)** must be made via wire transfer in immediately available funds to an account designated by the recipient party, together with interest thereon at the prime rate (as reported by *The Wall Street Journal* or, if not reported thereby, by another authoritative source) as in effect from time to time from the Effective Time to the date of actual payment.

(h) Notwithstanding the foregoing, in the event that Seller delivers a Notice of Disagreement, Seller or Buyer shall be required to make a payment of any undisputed amount to the other regardless of the resolution of the items contained in the Notice of Disagreement, and Seller or Buyer, as applicable, shall within ten (10) Business Days of the receipt of the Notice of Disagreement make payment to the other by wire transfer in immediately available funds of such undisputed amount owed by Seller or Buyer to the other, as the case may be, pending resolution of the Notice of Disagreement together with interest thereon, calculated as described above.

(i) During the 30-day period following the delivery of a Notice of Disagreement to Buyer that complies with the preceding paragraphs, Buyer and Seller shall seek in good faith to resolve in writing any differences they may have with respect to the matters specified in the Notice of Disagreement. During such period: (i) Buyer and its independent auditors, if any, at Buyer's sole cost and expense, shall be, and Seller and its independent auditors, if any, at Seller's sole cost and expense, shall be, in each case permitted to review and make copies reasonably required of: (A) the financial statements of the Seller, in the case of Buyer, and Buyer, in the case of Seller, relating to the Notice of Disagreement; (B) the working papers of Seller, in the case of Buyer, and Buyer, in the case of Seller, and such other party's auditors, if any, relating to the Notice of Disagreement; (C) the books and records of Seller, in the case of Buyer, and Buyer, in the case of Seller, relating to the Notice of Disagreement; and (D) any supporting schedules, analyses and documentation relating to the Notice of Disagreement; and (ii) Seller, in the case of Buyer, and Buyer, in the case of Seller, shall provide reasonable access, upon reasonable advance notice and during normal business hours, to such employees of such other party and such other party's independent auditors, if any, as such first party reasonably believes is necessary or desirable in connection with its review of the Notice of Disagreement.

(j) If, at the end of such 30-day period, Buyer and Seller have not resolved such differences, Buyer and Seller shall submit to the Accounting Firm for review and resolution any and all matters that remain in dispute and that were properly included in the Notice of

Disagreement. Within sixty (60) days after selection of the Accounting Firm, Buyer and Seller shall submit their respective positions to the Accounting Firm, in writing, together with any other materials relied upon in support of their respective positions. Buyer and Seller shall use commercially reasonable efforts to cause the Accounting Firm to render a decision resolving the matters in dispute within thirty (30) days following the submission of such materials to the Accounting Firm. Buyer and Seller agree that judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced. Except as specified in the following sentence, the cost of any arbitration (including the fees and expenses of the Accounting Firm) pursuant to this **Section 1.87** shall be borne by Buyer and Seller in inverse proportion as they may prevail on matters resolved by the Accounting Firm, which proportional allocations shall also be determined by the Accounting Firm at the time the determination of the Accounting Firm is rendered on the matters submitted. The fees and expenses (if any) of Buyer's independent auditors and attorneys incurred in connection with the review of the Notice of Disagreement shall be borne by Buyer, and the fees and expenses (if any) of Seller's independent auditors and attorneys incurred in connection with their review of the Settlement Statement shall be borne by Seller.

1.8 Local Marketing Agreement. Seller and Buyer have entered into the LMA, dated as of the date hereof and in the form attached hereto as Exhibit B, for the programming of the Stations during the period up to the Closing. To the extent that any Station Assets are assigned, any Assumption of Obligations are assumed or assets and liabilities are prorated under the LMA, any obligation of the Seller under this Agreement to assign such Station Assets, of the Buyer to assume such Assumed Obligations or of the parties to prorate such Station Assets and Assumed Obligations, shall be deemed satisfied. Notwithstanding anything contained herein to the contrary, Seller shall not be deemed to have breached any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Buyer's obligation to perform under this Agreement (nor shall Seller have any liability or responsibility to Buyer in respect of any such representations, warranties, covenants, agreements or conditions precedent), in each case to the extent that the inaccuracy of any such representations, the breach of any such warranty, covenant or agreement or the inability to satisfy any such condition precedent arises out of or otherwise relates to: (a) any actions taken by or under the authorization of Buyer or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with Buyer's performance of its obligations under the LMA or otherwise, or (b) the failure of Buyer to perform any of its obligations under the LMA. Buyer acknowledges and agrees that Seller shall not be deemed responsible for or have authorized or consented to any action or failure to act on the part of Buyer or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with the LMA solely by reason of the fact that prior to Closing, Seller shall have the legal right to control, manage, and supervise the operation of the Stations and the conduct of the business.

1.9 Accounts Receivable.

(a) As of the date hereof, Seller shall designate Buyer as its agent solely for the purpose of collecting the Accounts Receivable. Seller shall deliver to Buyer, on or immediately after the date hereof, a statement of the Accounts Receivable. Buyer shall use commercially reasonable efforts to collect the Accounts Receivable, consistent with Buyer's practices for collection of its accounts receivable, during the period (the "*Collection Period*")

beginning on the date hereof and ending on the later of (i) the ninetieth (90th) day following the date hereof or (ii) the Effective Time. Any payment received by Buyer (i) at any time following the date hereof, (ii) from a customer of the Stations after the date hereof that was also a customer of the Stations prior to the date hereof and that is obligated with respect to any Accounts Receivable and (iii) that is not designated as a payment of a particular invoice or invoices or as a security deposit or other prepayment, shall be presumptively applied to the accounts receivable for such customer outstanding for the longest amount of time and, if such accounts receivable shall be an Accounts Receivable, remitted to Seller in accordance with **Section 1.99(b)**; provided further, however, that if, prior to the date hereof, Seller or, after the date hereof, Seller or Buyer received or receives a written notice of dispute from a customer with respect to an Accounts Receivable that has not been resolved, then Buyer shall apply any payments from such customer to such customer's oldest, non-disputed accounts receivable, whether or not an Accounts Receivable. Buyer shall obtain the prior written approval of Seller before referring any of the Accounts Receivable to a collection agency or to an attorney for collection.

(b) On or before the fifth (5th) day following the end of each calendar month in the Collection Period, Buyer shall deposit into an account identified by Seller the amounts collected during the preceding month of the Collection Period with respect to the Accounts Receivable in immediately available funds by wire transfer. Buyer shall furnish Seller with a list of the amounts collected during such calendar month and in any prior calendar months with respect to the Accounts Receivable and a schedule of the amount remaining outstanding under each particular account. Following the Collection Period, Seller shall be entitled to inspect and/or audit the records maintained by Buyer pursuant to this **Section 1.9**, upon reasonable advance notice and during normal business hours.

(c) Following the expiration of the Collection Period, Buyer shall have no further obligations under this **Section 1.99**, except that Buyer shall immediately pay over to Seller any amounts subsequently paid to it with respect to any Accounts Receivable. Following the Collection Period, Seller may pursue collections of all the Accounts Receivable, and Buyer shall deliver to Seller all files, records, notes and any other materials relating to the Accounts Receivable and shall otherwise cooperate with Seller for the purpose of collecting any outstanding Accounts Receivable.

(d) If Buyer fails to remit any amounts collected pursuant to this **Section 1.99**, such amount shall bear interest at the prime rate (as reported by *The Wall Street Journal* or, if not reported thereby, by another authoritative source) as in effect from time to time from the date such amount was due until the date of actual payment.

1.10 Allocation of Purchase Price. Within sixty (60) days of the date hereof, Buyer and Seller shall negotiate in good faith an allocation of the Purchase Price to the assets acquired hereunder in a manner which complies with Section 1060 of the Internal Revenue Code of 1986, as amended. Such allocation shall be used by Buyer and Seller in their respective filings with all taxing authorities.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

2.1 Existence and Power. Seller is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller is qualified to do business in the State of South Carolina and is in good standing in each jurisdiction where such qualification is necessary.

2.2 Authorization.

(a) The execution and delivery by Seller of this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Seller pursuant hereto or in connection with the transactions contemplated hereby (the “*Seller Ancillary Agreements*”), the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby are within Seller’s corporate powers and have been duly authorized by all requisite corporate action on the part of Seller.

(b) This Agreement has been, and each Seller Ancillary Agreement will be, duly executed and delivered by Seller. This Agreement (assuming due authorization, execution and delivery by Buyer) constitutes, and each Seller Ancillary Agreement will constitute when executed and delivered by Seller, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws affecting or relating to enforcement of creditors’ rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

2.3 Governmental Authorization. The execution, delivery and performance by Seller of this Agreement and each Seller Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) the FCC and (b) any such action by or in respect of or filing with any Governmental Authority as to which the failure to take, make or obtain would not have a Seller Material Adverse Effect.

2.4 Noncontravention. Except as disclosed on Schedule 1.1(c), the execution, delivery and performance of this Agreement and each Seller Ancillary Agreement by Seller and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of Seller; (b) to Seller’s knowledge, and assuming compliance with the matters referred to in **Section 2.3**, conflict with or violate any Law or Governmental Order applicable to Seller; (c) require any consent or other action by or notification to any Person under, constitute a default under, give to any Person any rights of termination, amendment, acceleration or cancellation of any right or obligation of Seller under, any provision of any Station Contract; or (d) result in the creation or imposition of any Lien on any of the Station Assets, except for Permitted Liens, except, in the cases of clauses (b), (c) and

(d), for any such violations, consents, actions, defaults, rights or losses as would not have a Seller Material Adverse Effect.

2.5 Absence of Litigation. There is no Action pending or, to Seller's knowledge, threatened against Seller that in any manner challenges or seeks to prevent, enjoin, alter or delay, or have a Material Adverse Effect on the transactions contemplated by this Agreement.

2.6 Financial Statements. The unaudited results of operations of the Stations for calendar years 2011, 2012, 2013 and the first nine (9) months of calendar year 2014 (the "*Reference Financial Statements*") are derived from the books and records of the Stations. The Reference Financial Statements have been provided to Buyer.

2.7 FCC Licenses.

(a) Seller has made available to Buyer true, correct and complete copies of the FCC Licenses, including any and all amendments and modifications thereto. The FCC Licenses were validly issued by the FCC, are validly held by Seller, and are in full force and effect. The FCC Licenses have been issued for the full terms customarily issued to radio broadcast stations in the State of South Carolina, and the FCC Licenses are not subject to any condition except for those conditions that appear on the face of the FCC Licenses, those conditions applicable to radio broadcast licenses generally or those conditions disclosed in Schedule 2.7(a).

(b) Except as set forth on Schedule 2.7(b), Seller has no applications pending before the FCC relating to the operation of the Stations.

(c) Except as set forth on Schedule 2.7(c), Seller has operated the Stations in material compliance with the Communications Act of 1934, as amended (the "*Communications Act*") and the FCC Licenses, has filed or made all applications, reports, registrations and other disclosures required by the FCC to be made in respect of the Stations and has timely paid all FCC regulatory fees in respect thereof, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect.

(d) Except as set forth on Schedule 2.7(d), to the knowledge of the Seller, there are no petitions, complaints, orders to show cause, notices of violation, notices of apparent liability, notices of forfeiture, proceedings or other actions pending or threatened before the FCC relating to the Stations that would reasonably be expected to have a Seller Material Adverse Effect, other than proceedings affecting the radio broadcast industry generally.

2.8 Tangible Personal Property. Except as disclosed on Schedule 2.8, Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. The items of Tangible Personal Property on Schedule 2.8 are in normal operating condition, ordinary wear and tear excepted.

2.9 Station Contracts. Each of the Station Contracts 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 is not in material default under any Station Contract, and, to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material

respect. Except as otherwise set forth on Schedule 1.1(c), Seller has provided to Buyer prior to the date of this Agreement true and complete copies of all material Station Contracts.

2.10 Intangible Property. Schedule 1.1(d) contains a description of the call letters of the Stations and all owned and registered Intangible Property. Except as set forth on Schedule 1.1(d), Seller has received no notice of any claim that its use of any material Intangible Property infringes upon or conflicts with any third party rights. Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens as of the date of this Agreement.

2.11 Real Property. Seller, through its subsidiary company BH Media Inc. (together known as "Seller"), has fee simple title to the owned Real Property identified on Schedule 1.1(f) (the "*Owned Real Property*") free and clear of Liens other than Permitted Liens. The Owned Real Property includes sufficient access to the Stations' facilities. To Seller's knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority. Except as set forth on Schedule 1.1(f), Seller has not granted any oral or written right to any Person (other than Seller) to lease, sublease, license or otherwise occupy any of the Real Property.

2.12 Environmental. Except as set forth on Schedule 1.1(f), to Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable Environmental Law has been generated, stored, transported or released on, in, from or to the Real Property by Seller in violation of any applicable Environmental Law. Except as set forth on Schedule 1.1(f), to Seller's knowledge, Seller has complied in all material respects with all Environmental Laws applicable to the Stations or any of the Real Property. "*Environmental Laws*" are those environmental, health or safety laws and regulations applicable to Seller's activities at the Real Property in effect.

2.13 Employee Information.

(a) Schedule 2.13 contains a true and complete list as of the date set forth thereon of all the Stations' employees (collectively, the "*Station Employees*"), including the names, date of hire, current rate of compensation, employment status (i.e., active, disabled, on authorized leave and reason therefore), title, whether such Station Employee is a union or non-union employee, whether such Station Employee is full-time, part-time or per-diem and a general description of benefits, including severance and vacation benefits, if any. Each Station Employee is employed by Seller or an Affiliate of Seller as of the date set forth in Schedule 2.13.

(b) None of the Stations is subject to or bound by any labor agreement or collective bargaining agreement. To the knowledge of Seller, there is no activity involving any Station Employee seeking to certify a collective bargaining unit or engaging in any other organization activity.

2.14 Compliance with Laws. Seller has complied in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any Governmental Authority that are applicable to Seller's operation of the Stations and ownership of the Station Assets.

2.15 Taxes. Seller has, in respect of the Stations' business, filed all material Tax Returns required to have been filed by it under applicable law and has paid all Taxes which have become due pursuant to such Tax Returns or pursuant to any assessments which have become payable.

2.16 Sufficiency and Title to Station Assets. Except for the Excluded Assets, the Station Assets constitute all the assets used or held for use by Seller primarily in the business or operation of the Stations. Seller, or an Affiliate of Seller, owns, leases or is licensed to use all of the Station Assets free and clear of Liens, except for Permitted Liens.

2.17 Broker. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Seller Ancillary Agreements or the transactions contemplated hereby or thereby as a result of any agreements or action of the Seller or any party acting on Seller's behalf other than George Reed of Media Services Group whose fee will be the responsibility of the Seller.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

3.1 Existence and Power. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the state of its organization. Buyer is duly qualified to do business and is in good standing in the Commonwealth of Virginia and in each other jurisdiction where such qualification is necessary.

3.2 Authorization.

(a) The execution and delivery by Buyer of this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Buyer pursuant hereto or in connection with the transactions contemplated hereby (the "*Buyer Ancillary Agreements*"), the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby are within Buyer's corporate powers and have been duly authorized by all requisite corporate action on the part of Buyer.

(b) This Agreement has been, and each Buyer Ancillary Agreement will be, duly executed and delivered by Buyer. This Agreement (assuming due authorization, execution and delivery by Seller) constitutes, and each Buyer Ancillary Agreement will constitute when executed and delivered by Buyer, the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws affecting or relating to enforcement of creditors' rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

3.3 Governmental Authorization. The execution, delivery and performance by Buyer of this Agreement and each applicable Buyer Ancillary Agreement and the consummation

of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) the FCC and (b) any such action by or in respect of or filing with any Governmental Authority as to which the failure to take, make or obtain would not have a Buyer Material Adverse Effect.

3.4 Noncontravention. The execution, delivery and performance of this Agreement and each Buyer Ancillary Agreement by Buyer and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of Buyer; (b) assuming compliance with the matters referred to in **Section 3.3**, conflict with or violate any Law or Governmental Order applicable to Buyer; or (c) require any consent or other action by or notification to any Person under, constitute a default under, give to any Person any rights of termination, amendment, acceleration or cancellation of any right or obligation of Buyer under, any provision of any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other agreement or instrument to which Buyer is a party or by which any of Buyer's assets is or may be bound, except, in the cases of clauses (b) and (c), for any such violations, consents, actions, defaults, rights or losses as could not have, individually or in the aggregate, a Buyer Material Adverse Effect.

3.5 Absence of Litigation. There is no Action pending or, to Buyer's knowledge, threatened against Buyer that in any manner challenges or seeks to prevent, enjoin, alter or delay materially the transactions contemplated by this Agreement.

3.6 FCC Qualifications. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act, and the rules, regulations and policies of the FCC. There are no facts that would, under existing Law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the other Station Assets. No waiver of any FCC rule or policy relating to the qualifications of Buyer is necessary for the FCC Consent to be obtained.

3.7 Financing. Buyer has, and as of the Closing Date will have, sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid by it in accordance with the terms of this Agreement and the Buyer Ancillary Agreements.

3.8 Broker. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Seller Ancillary Agreements or the transactions contemplated hereby or thereby as a result of any agreements or action of Buyer or any party acting on Buyer's behalf.

3.9 Music Licenses. Buyer represents and warrants that it shall have obtained, on or before Closing, suitable music licenses covering programming on the Stations, including licenses from ASCAP, BMI, and SESAC, and Buyer shall indemnify and hold harmless Seller from any liabilities with respect to any such music licensing obligations arising on or after the Closing Date.

ARTICLE IV COVENANTS

4.1 Governmental Approvals.

(a) **FCC Application.** The assignment of the FCC Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC. Within five (5) Business Days after execution of this Agreement, Buyer and Seller shall file the FCC Application. Seller and Buyer shall thereafter prosecute the FCC Application with all commercially reasonable diligence and otherwise use commercially reasonable efforts to obtain the FCC Consent as expeditiously as practicable. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it or relating to the FCC Application, and shall furnish all information required by the FCC.

(b) **Governmental Filing or Grant Fees.** Except as otherwise provided in this Agreement, any filing or grant fees (including FCC filing fees) imposed by any Governmental Authority, the consent of which is required for the transactions contemplated hereby, shall be borne equally by Seller and Buyer. In addition, Seller and Buyer shall bear equally any fees incurred by Seller in the publication of the requisite local public notice regarding the FCC Application under Section 73.3580(d)(3) of the FCC's rules.

4.2 Conduct of Business.

(a) **Prior to Closing.** Between the date of this Agreement and the Closing Date, except as expressly permitted by this Agreement or in the LMA, or with the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed and which shall be deemed given if Buyer does not timely respond to Seller's request, Seller shall:

- (i) maintain the FCC Licenses in full force and effect;
- (ii) operate the Stations in all material respects in accordance with the FCC Licenses, the Communications Act, the FCC rules and regulations and all applicable Laws and the Standards of Good Engineering Practice;
- (iii) not materially adversely modify any of the FCC Licenses;
- (iv) operate the Stations in the ordinary course of business consistent with past practice;
- (v) use commercially reasonable efforts to preserve the business and goodwill of the Stations and the Station Assets;
- (vi) maintain the Tangible Personal Property and the Real Property in normal operating condition consistent with Seller's past practices, ordinary wear and tear excepted;
- (vii) not sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets, except (A) the ordinary course disposition of items that either are obsolete

or unnecessary for the continued operation of the Stations as currently operated or are replaced by assets of comparable or superior utility or (B) pursuant to existing contracts or commitments listed on Schedule 1.1(c), if any, or agree to do any of the foregoing;

(viii) not, other than in the ordinary course of business, enter into or amend any Station Contract, or agree to do any of the foregoing; and

(ix) with respect to Retained Employees, not (A) grant raises other than raises that would be given in the ordinary course of business consistent with past practice in connection with the October 1st focal point review, (B) pay substantial bonuses other than (x) stay bonuses for which the Buyer has no liability or (y) bonuses contemplated under existing employee arrangements, (C) enter into any new employment agreements that are not terminable at will or (D) agree to do any of the foregoing.

(b) **Control of Stations.** Subject to the provisions of this **Section 4.2**, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Stations prior to the Closing. Such operations shall be the sole responsibility of Seller and shall be in its complete discretion.

4.3 Access to Information; Inspections; Confidentiality; Publicity.

(a) Between the date hereof and the Closing Date, Seller shall furnish Buyer with such information relating to the Station Assets as Buyer may reasonably request, at Buyer's expense and provided such request does not interfere unreasonably with the business of the Stations.

(b) Between the date hereof and the Closing Date, upon prior reasonable notice, Seller shall give Buyer and its representatives reasonable access to the Station Assets during regular business hours.

(c) No news release or other public announcement pertaining to the transactions contemplated by this Agreement will be made by or on behalf of any party hereto without the prior written approval of the other party (such consent not to be unreasonably withheld or delayed) unless otherwise required by Law or any regulation or rule of any stock exchange binding upon such party. Where any announcement, communication or circular concerning the transactions contemplated by this Agreement is required by Law or any regulation or rule of any stock exchange, it shall be made by the relevant party after consultation, where reasonably practicable, with the other party and taking into account the reasonable requirements (as to timing, contents and manner of making or dispatch of the announcement, communication or circular) of the other party. Notwithstanding the foregoing, the parties acknowledge that a copy of the Agreement, the LMA, and the Escrow Agreement, redacted as appropriate in each case, will be included with the FCC Application.

4.4 Risk of Loss. Subject to the terms and conditions of the LMA, Seller shall bear the risk of any casualty loss or damage to any of the Station Assets prior to the Effective Time. Seller shall be responsible for repairing or replacing (as appropriate under the circumstances) any lost or damaged Station Asset (the "*Damaged Asset*") unless such Damaged Asset was obsolete and unnecessary for the continued operation of the Stations consistent with Seller's past practice

and the FCC Licenses. If Seller is unable to repair or replace a Damaged Asset by the date on which the Closing would otherwise occur under this Agreement, then the proceeds of any insurance covering such Damaged Asset shall be assigned to Buyer at Closing, and to the extent such proceeds are not sufficient to cover the reasonable out-of-pocket costs incurred by Buyer in repairing or replacing the Damaged Asset after the Closing, Seller shall reimburse Buyer by an amount equal to the deficiency.

4.5 Consents to Assignment. After the execution of this Agreement and prior to Closing, Seller shall use its commercially reasonable efforts to obtain any third-party consents necessary for the assignment of any Station Contract. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Station Contract or any claim or right or any benefit arising thereunder or resulting therefrom if such assignment, without the consent of a third party thereto, would constitute a breach or other contravention of such Station Contract or in any way adversely affect the rights of Buyer or Seller thereunder. If such consent is not obtained prior to the Closing Date, (a) Seller shall use its commercially reasonable efforts to (i) obtain such consent as soon as possible after the Closing Date, (ii) provide to Buyer the financial and business benefits of any such Station Contract and (iii) enforce, at the request of Buyer, for the account of Buyer, any rights of Seller arising from any such Station Contract; and (b) Buyer shall assume the obligations under such Station Contract in accordance with this Agreement. Notwithstanding the foregoing, neither Seller nor any of its Affiliates shall be required to pay consideration to any third party to obtain any consent.

4.6 Notification. Each party shall notify the other party of the initiation or threatened initiation of any litigation, arbitration or administrative proceeding that challenges the transactions contemplated hereby, including any challenges to the FCC Application.

4.7 Employee Matters.

(a) Buyer may, but is not obligated to hire any of the Station Employees, except that Buyer shall not offer employment to the two (2) Employees (the "*Retained Employees*") identified by Seller in Schedule 2.13 as employees to be retained by Seller until the Closing Date.

(i) Prior to the start date of the LMA (start date hereinafter known as the "*Employment Commencement Date*"), Buyer will notify the Seller, in writing (i) whether or not it will offer employment to a Station Employee other than the Retained Employees and (ii) whether or not it will assume the employment agreement, if any for such Station Employee. In the event Buyer elects to assume an employment agreement, such employment agreement shall be a Station Contract and shall be assumed by Buyer on the Employment Commencement Date. Prior to the Employment Commencement Date, Buyer shall offer employment, effective as of the Employment Commencement Date, to those Station Employees that are identified on such notice at a monetary compensation and on terms and conditions determined by Buyer, unless Buyer has elected to assume such employee's employment agreement, in which case, the initial terms and conditions of employment shall be set forth in such employment agreement. Seller shall be responsible for all compensation and benefits of such employees prior to the

Employment Commencement Date, and Buyer shall be responsible for all compensation and benefits on and after the Employment Commencement Date.

(ii) Prior to the Closing Date, Buyer will notify the Seller, in writing (i) whether or not it will offer employment to one or both of the Retained Employees and (ii) whether or not it will assume the employment agreement, if any, for such Retained Employees. In the event Buyer elects to assume such an employment agreement, such employment agreement shall be a Station Contract and shall be assumed by Buyer at Closing. Seller shall be responsible for all compensation and benefits of the Retained Employees prior to the Closing Date, and Buyer shall be responsible for all compensation and benefits for the hired Retained Employees on and after the Closing Date.

4.8 Title Insurance; Surveys. Seller shall cooperate with Buyer (provided that Seller shall not be required to pay any consideration to Buyer or any third party) so that Buyer can promptly obtain, at Buyer's sole cost and expense:

(a) a title commitment to issue a standard form of title insurance policy insuring the fee simple interest in the Owned Real Property, subject only to Permitted Liens; and

(b) an ALTA survey of the Owned Real Property as of a date subsequent to the date hereof which shall reflect (i) no encroachments upon such parcels or adjoining parcels by buildings, structures or improvements which would materially adversely affect title or materially interfere with or impair the use of the Owned Real Property for the purpose for which it is currently used and (ii) access to such parcels from a dedicated roadway or indirect access to a dedicated roadway.

4.9 Environmental. Within thirty (30) calendar days after the date hereof, Buyer may at its expense conduct a Phase I environmental review of the Owned Real Property; provided, however, that no intrusive sampling shall be performed without Seller's prior written approval (which shall not be unreasonably withheld). If any such Phase I environmental review discloses a material violation of, or material condition requiring remediation under applicable Environmental Laws at any of the Owned Real Property (an "*Environmental Condition*"), Buyer may conduct a Phase II assessment, at Buyer's sole cost and expense, upon the prior written consent of Seller. If Seller does not grant such consent to a Phase II assessment in a timely manner, Buyer shall have the right to (i) proceed to Closing without performing such Phase II assessment, or (ii) terminate this Agreement without cause, and upon such termination, the Escrow Deposit and interest earned thereon shall be returned to Buyer. In the event that any Phase I or Phase II environmental audit identifies an Environmental Condition with an estimated remediation cost of less than Fifty Thousand Dollars (\$50,000.00), then Seller shall remediate or undertake to remediate such condition in all material respects prior to Closing, provided that the completion of such remediation shall not be a condition to Buyer's obligation to close hereunder. If such Environmental Condition has an estimated remediation cost of Fifty Thousand Dollars (\$50,000.00) or more, then within ten (10) Business Days after delivery to Seller of such environmental assessment, Seller shall notify Buyer of its election to either (a) remediate or undertake to remedy such condition in all material respects prior to Closing, provided that the completion of such remediation shall not be a condition to Buyer's obligation to close hereunder,

or (b) not remediate or undertake to remedy such condition, in which event Buyer or Seller may terminate this Agreement on written notice to the other party.

4.10 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 the execution and delivery of confirmatory and other transfer documents in addition to those to be delivered at Closing.

ARTICLE V CONDITIONS PRECEDENT

5.1 To Buyer's Obligations. The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to the Closing Date, of each of the following conditions:

(a) **Representations, Warranties and Covenants.** The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects, disregarding all qualifiers and exceptions relating to materiality or Seller Material Adverse Effect, (i) as of the date of this Agreement and (ii) (except to the extent such representations and warranties speak as of an earlier date, in which case such representations and warranties shall have been true and correct in all material respects, disregarding all qualifiers and exceptions relating to materiality of Seller Material Adverse Effect, as of such earlier date) as of the Closing Date as though made on and as of the Closing Date, except, in both cases, (A) for changes expressly contemplated by this Agreement or permitted under **Section 4.2** (Conduct of Business Prior to Closing), (B) casualty losses or damages subject to **Section 4.4** (Risk of Loss) or (C) where the failures to be true and correct, individually or in the aggregate, have not resulted in and would not reasonably be expected to result in a Seller Material Adverse Effect. Seller shall have performed in all material respects all obligations required to be performed by it under this Agreement on or prior to the Closing Date. Buyer shall have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller to the effect that the conditions set forth in this **Section 5.1(a)** have been satisfied.

(b) **Governmental Consents.** The FCC Consent shall have been granted and shall be in full force and effect.

(c) **Adverse Proceedings.** No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any Governmental Authority shall have been rendered against, any party hereto that would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

(d) **Authorization.** Buyer shall have received a true and complete copy, certified by an officer of Seller, of the resolutions duly and validly adopted by the Board of Directors of Seller evidencing its authorization of the execution and delivery of this Agreement and consummation of the transactions contemplated hereby.

(e) **Deliveries.** Seller shall have made or stand willing to make all the deliveries required under **Sections 6.1** and **6.2**.

5.2 To Seller's Obligations. The obligations of Seller hereunder are, at its option, subject to satisfaction, at or prior to the Closing Date, of each of the following conditions:

(a) **Representations, Warranties and Covenants.** The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects, disregarding all qualifiers and exceptions relating to materiality or Buyer Material Adverse Effect, (i) as of the date of this Agreement and (ii) (except to the extent such representations and warranties speak as of an earlier date, in which case such representations and warranties shall have been true and correct in all material respects, disregarding all qualifiers and exceptions relating to materiality or Buyer Material Adverse Effect, as of such earlier date) as of the Closing Date as though made on and as of the Closing Date except, in both cases, (A) for changes expressly contemplated by this Agreement or (B) where the failures to be true and correct, individually or in the aggregate, have not resulted in and would not reasonably be expected to result in a Buyer Material Adverse Effect. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement on or prior to the Closing Date. Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer, to the effect that the conditions set forth in this **Section 5.2(a)** have been satisfied.

(b) **Governmental Consents.** The FCC Consent shall have been granted and shall be in full force and effect and shall contain no provision materially adverse to Seller or Seller's Affiliate. Seller acknowledges that Seller's obligation to consummate the transactions contemplated by this Agreement is not subject to the condition that the FCC Consent shall have become a Final Order.

(c) **Adverse Proceedings.** No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any Governmental Authority shall have been rendered against any party hereto that would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

(d) **Authorization.** Seller shall have received a true and complete copy, certified by an officer of Buyer, of the resolutions duly and validly adopted by the Board of Directors of Buyer evidencing its authorization of the execution and delivery of this Agreement and consummation of the transactions contemplated hereby.

(e) **Deliveries.** Buyer shall have made or stand willing to make all the deliveries required under **Sections 6.1** and **6.3** and shall have paid or stand willing to pay the Purchase Price as provided in **Section 1.5**.

ARTICLE VI

DOCUMENTS TO BE DELIVERED AT THE CLOSING

6.1 Documents to be Delivered by Both Parties. At the Closing, each of Buyer and Seller shall execute and deliver to the other as applicable:

(a) a duly executed Assignment and Assumption Agreement, substantially in the form of Exhibit C-1; and

- (b) duly executed instructions for the joint release of the Escrow Deposit.

6.2 Documents to be Delivered by Seller. At the Closing, Seller shall deliver to Buyer the following:

- (a) the certificate described in **Section 5.1(a)**;
- (b) the documents described in **Section 5.1(d)**;
- (c) a duly executed Bill of Sale, substantially in the form of Exhibit C-2;
- (d) a duly executed Assignment & Assumption of FCC Licenses, substantially in the form of Exhibit C-3;
- (e) a duly executed Assignment & Assumption of Intangible Property, substantially in the form of Exhibit C-4;
- (f) duly executed special warranty deeds or its equivalent for the Owned Real Property, in a form reasonably acceptable to Buyer.

6.3 Documents to be Delivered by Buyer. At the Closing, Buyer shall deliver to Seller the following:

- (a) the certificate described in **Section 5.2(a)**;
- (b) the documents described in **Section 5.2(d)**; and
- (c) the Purchase Price.

ARTICLE VII SURVIVAL INDEMNIFICATION

7.1 Survival. The representations and warranties in this Agreement shall survive the Closing for a period of one (1) year from the Closing Date whereupon they shall expire and be of no further force or effect, except those under: (a) **Section 2.15** (Taxes), which shall survive until the expiration of any applicable statute of limitations (b) **Sections 2.17** and **3.8** (Broker), each of which shall survive indefinitely, (c) the provisions in **Sections 2.7, 2.8, 2.11** and **2.16** relating to title, each of which shall survive indefinitely, and (d) any other section for which written notice is given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved. None of the covenants and agreements shall survive the Closing except to the extent such covenants and agreements contemplate performance after the Closing. No claim may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the applicable survival period. In the event such notice is given, the right to indemnification with respect thereto shall survive the applicable survival period until such claim is finally resolved and any obligations thereto are fully satisfied.

7.2 Indemnification.

(a) Subject to **Section 7.1**, from and after the Effective Time, Seller shall defend, indemnify and hold harmless Buyer, its Affiliates and their respective employees, officers, directors, shareholders and agents (collectively, the “*Buyer Indemnified Parties*”) from and against any and all losses, costs, damages, liabilities, expenses, obligations and claims of any kind (including any Action brought by any Governmental Authority or Person and including reasonable attorneys’ fees and expenses (“*Losses*”)) incurred by such Buyer Indemnified Party arising out of or resulting from (i) Seller’s breach of any of the representations or warranties contained in this Agreement, any Seller Ancillary Agreement or in any other certificate or document delivered pursuant hereto or thereto; (ii) any breach or nonfulfillment of any agreement or covenant of Seller under the terms of this Agreement or any Seller Ancillary Agreement; and (iii) the Retained Liabilities.

(b) Subject to **Section 7.1**, from and after the Effective Time, Buyer shall defend, indemnify and hold harmless Seller, its Affiliates and their respective employees, officers, directors, shareholders and agents (collectively, the “*Seller Indemnified Parties*”) from and against any and all Losses incurred by such Seller Indemnified Party arising out of or resulting from (i) Buyer’s breach of any of its representations or warranties contained in this Agreement, any Buyer Ancillary Agreement or in any other certificate or document delivered pursuant hereto or thereto; (ii) any breach or nonfulfillment of any agreement or covenant of Buyer under the terms of this Agreement or any Buyer Ancillary Agreement; and (iii) the Assumed Obligations.

(c) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, Seller shall have no liability to any Buyer Indemnified Party under **Section 7.2(a)(i)** until Buyer and all Buyer Indemnified Parties’ aggregate Damages exceed Twenty-Five Thousand Dollars (\$25,000) (“*Basket*”) (at which point Seller shall be liable for all Damages incurred by Buyer Indemnified Parties, including the Basket). The maximum aggregate liability of Seller under **Section 7.2(a)(i)** shall be Five Hundred Thousand Dollars (\$500,000).

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

(a) The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim.

(b) In the event that the indemnifying party shall elect not to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any

such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

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

7.4 Computation of Indemnifiable Losses. Any amount payable pursuant to this **Article VII** shall be decreased to the extent of (a) any amounts actually recovered by the indemnified party from any third party (including insurance proceeds) in respect of an indemnifiable Loss, and (b) any net Tax benefit actually realized by the indemnified party arising out of an indemnifiable Loss. The indemnifying party and the indemnified party shall cooperate in good faith in providing each other the information necessary to determine the Tax benefits, as the case may be, in each case. The indemnified party shall use its commercially reasonable efforts to pursue payment under or from any insurer or third-party in respect of such Losses. Buyer shall not, and shall cause the Stations not to, without the prior written consent of the Seller, waive, release, compromise, reduce or otherwise amend in any way that would limit coverage, any fully-paid insurance policies or coverage in effect at the Closing that relate to Losses.

7.5 Sole Remedy. After the Closing, the right to indemnification under this **Article VII** shall be the exclusive remedy of any party in connection with any breach or default by another party under this Agreement, any Buyer Ancillary Agreement or any Seller Ancillary Agreement. Neither party shall have any liability to the other party under any circumstances for special, indirect, consequential, punitive or exemplary damages, or lost profits, diminution in value or any damages based on any type of multiple of any Indemnified Party.

ARTICLE VIII TERMINATION RIGHTS

8.1 Termination.

(a) This Agreement may be terminated prior to Closing by either Buyer or Seller upon written notice to the other following the occurrence of any of the following:

(i) if the other party is in material breach or default of this Agreement or does not perform in all material respects the obligations to be performed by it under this Agreement on the Closing Date such that the conditions set forth in **Sections 5.1(a)** and **5.2(a)**, as applicable, would not be satisfied and such breach or default has not been waived by the party giving such termination notice;

(ii) if there shall be any Law that prohibits consummation of the sale of the Stations or if a Governmental Authority of competent jurisdiction shall have issued a final, nonappealable Government Order enjoining or otherwise prohibiting consummation of the sale of the Stations;

(iii) if the FCC denies the FCC Application;

(iv) if the Closing has not occurred by Twelve (12) months from the date of the filing of the FCC Application (the “*Upset Date*”); or

(v) as provided by **Section 4.9** (Environmental).

(b) This Agreement may be terminated prior to Closing by mutual written consent of Buyer and Seller.

(c) If either party believes the other to be in breach or default of this Agreement, the non-defaulting party shall, prior to exercising its right to terminate under **Section 8.1(a)(i)**, provide the defaulting party with notice specifying in reasonable detail the nature of such breach or default. Except for a failure to pay the Purchase Price, the defaulting party shall have twenty (20) days from receipt of such notice to cure such default; provided, however, that if the breach or default is incapable of cure within such 20-day period, the cure period shall be extended as long as the defaulting party is diligently and in good faith attempting to effectuate a cure. Nothing in this **Section 8.1(c)** shall be interpreted to extend the Upset Date.

(d) If this Agreement is terminated under the provisions of this **Article VIII** for any reason (other than by Seller pursuant to **Section 8.1(a)(i)** due to Buyer’s material default or breach of this Agreement), then the Escrow Deposit shall be returned to Buyer by the Escrow Agent.

(e) If this Agreement is terminated by Seller pursuant to **Section 8.1(a)(i)** due to Buyer’s material default or breach of this Agreement, then Seller shall be entitled to the Escrow Deposit as liquidated damages. Seller shall, in addition, be entitled to prompt payment from Buyer of the reasonable attorney’s fees actually incurred by Seller in enforcing its rights under this Agreement. The parties understand and agree that the amount of liquidated damages

represents Seller's and Buyer's reasonable estimate of actual damages and does not constitute a penalty. Notwithstanding any other provision of this Agreement to the contrary, in the event that Seller terminates this Agreement pursuant to **Section 8.1(a)**, the payment of the Escrow Deposit, together with any attorney's fees, pursuant to this **Section 8.1(e)**, shall be Seller's sole and exclusive remedy for damages of any nature or kind that Seller may suffer as a result of Buyer's breach or default under this Agreement.

(f) The parties mutually agree that all of the assets and property to be assigned and conveyed pursuant to this Agreement are unique and cannot readily be purchased on the open market. For that reason, among others, Buyer will be irreparably damaged in the absence of its consummation. In the event of a default by Seller under this Agreement, Buyer's rights, and the obligations of Seller, shall, at Buyer's election, be enforceable by decree of specific performance, subject to Commission consent. In such event of Seller's default, and if Buyer pursues the remedy of specific performance of this Agreement:

(i) Seller hereby agrees not to raise any defense or objection to Buyer's enforcement action on the grounds that Buyer's damage may be adequately compensated by money damages only.

(ii) Buyer shall be entitled to such monetary damages for actual damages of a material nature incurred by Buyer as a result of Seller's breach of any of Seller's representations, covenants, warranties and agreements contained in this Agreement which cannot be, or have not been, cured through the remedy of specific performance of Seller's obligations under this Agreement.

(iii) Buyer shall also be entitled to recover all costs of enforcement and reasonable attorneys' fees and expenses.

(g) In the event of a default by Seller under this Agreement, and if Buyer elects not to seek, or is denied the remedy of specific performance of the obligations of Seller under this Agreement:

(i) Buyer shall be entitled to recover its actual damages including damages for loss of business opportunity, plus all costs of enforcement and reasonable attorneys' fees and expenses; and

(ii) Buyer shall be entitled to the return of the Escrow Deposit, together with all interest earned thereon.

8.2 Effect of Termination. In the event of a valid termination of this Agreement pursuant to **Section 8.1**, this Agreement (other than **Section 4.3(c)**, this **Article VIII** and **Sections 10.1, 10.2, 10.3, 10.4, 10.5, 10.7 and 10.8**, which shall remain in full force and effect) shall forthwith become null and void, and no party hereto (nor any of their respective Affiliates, directors, officers or employees) shall have any liability or further obligation, except as provided in this **Article VIII**; provided, however, that nothing in this **Section 8.2** shall (subject to the limitations in **Section 8.1(e)**) relieve any party from liability for any breach of this Agreement prior to termination.

ARTICLE IX TAX MATTERS

9.1 Bulk Sales. Seller and Buyer hereby waive compliance with the provisions of any applicable bulk sales law and no representation, warranty or covenant contained in this Agreement shall be deemed to have been breached as a result of such non-compliance.

9.2 Transfer Taxes. All Transfer Taxes arising out of or in connection with the transactions effected pursuant to this Agreement shall be shared equally by the parties. The party which has the primary responsibility under applicable Law for the payment of any particular Transfer Tax, Seller shall prepare and file the relevant Tax Return and notify the other party in writing of the Transfer Taxes shown on such Tax Return. The other party shall refund to the paying party one half the amount equal to such Transfer Taxes in immediately available funds no later than the date that is the later of (a) five (5) Business Days after the date of such notice or (b) two (2) Business Days prior to the due date for such Transfer Taxes.

ARTICLE X OTHER PROVISIONS

10.1 Expenses. Except as otherwise provided herein, each party shall be solely responsible for and shall pay all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

10.2 Benefit and Assignment.

(a) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither party may assign its rights under this Agreement without the other party's prior written consent, which consent may not be unreasonably withheld or delayed.

(b) Notwithstanding anything above to the contrary, either Buyer or Seller may, without the other party's consent, assign any or all of its rights and obligations under this Agreement to an Affiliate, provided that such assignment does not delay the receipt of the FCC Consent or the Closing and the assigning party is not relieved of liability under this Agreement.

10.3 No Third Party Beneficiaries. Except as set forth in **Sections 7.2(a) and 7.2(b)**, nothing herein, express or implied, shall be construed to confer upon or give to any other Person other than the parties hereto or their permitted successors or assigns, any rights or remedies under or by reason of this Agreement.

10.4 Entire Agreement; Waiver; Amendment. This Agreement, the Confidentiality Agreement, the Buyer Ancillary Agreements, the Seller Ancillary Agreements and the exhibits and schedules hereto and thereto constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between Seller and Buyer with respect to the subject matter hereof and thereof, except as otherwise expressly provided herein. Any matter that is disclosed in a schedule hereto in such a way as to make its relevance to the information called for by another schedule readily apparent shall be deemed to have been included in such other schedule,

notwithstanding the omission of an appropriate cross reference. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought. No failure or delay on the part of Buyer or Seller in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

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

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

10.7 Governing Law; Waiver of Jury Trial. The construction and performance of this Agreement shall be governed by the law of the State of South Carolina without regard to its principles of conflict of law. The exclusive forum for the resolution of any disputes arising hereunder shall be the federal or state courts located in State of South Carolina, and each party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding. BUYER AND SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Buyer and Seller hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of the Agreement, including in particular the jury-trial waiver.

10.8 Construction. Any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement.

10.9 Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request in writing.

If to Seller:

Fidelity Broadcasting Corporation
107 Forrest Avenue
Narberth, PA 19072
Attn: Jerome Bresson, President

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

Wilkinson Barker Knauer, LLP
2300 N Street, NW, Suite 700
Washington, DC 20037
Attn: David A. O'Connor, Esq.

If to Buyer:

Compass Radio Group LLC.
c/o 200 South Church Street
Woodstock, VA 22664
Attention: John C. Trent, Esq.

Any such notice, demand or request shall be deemed to have been duly delivered and received (a) on the date of personal delivery, or (b) on the date of transmission, if sent by facsimile and received prior to 5:00 p.m. in the place of receipt (but only if a hard copy is also sent by overnight courier), or (c) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (d) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

10.10 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced because of any Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

10.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Facsimile or other electronically delivered copies of signature pages to this Agreement, any Buyer Ancillary Agreement, any Seller Ancillary Agreement or any other document or instrument delivered pursuant to this Agreement shall be treated as between the parties as original signatures for all purposes.

ARTICLE XI DEFINITIONS

11.1 Defined Terms. Unless otherwise stated in this Agreement, the following terms when used herein shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

“Accounting Firm” means (a) an independent certified public accounting firm in the United States of national recognition (other than a firm that then serves as the independent auditor for Seller, Buyer or any of their respective Affiliates) mutually acceptable to Seller and Buyer or (b) if Seller and Buyer are unable to agree upon such a firm, then the regular independent auditors for Seller and Buyer shall mutually agree upon a third independent certified public accounting firm, in which event, “Accounting Firm” shall mean such third firm.

“Accounts Receivable” shall have the meaning set forth in **Section 1.2(c)**.

“Action” means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“Agreement” shall mean this Asset Purchase Agreement, including the exhibits and schedules hereto.

“Assumed Obligations” shall have the meaning set forth in **Section 1.3**.

“Basket” shall have the meaning set forth in **Section 7.2(c)**.

“Business Day,” whether or not capitalized, shall mean every day of the week excluding Saturdays, Sundays and Federal holidays.

“Buyer” shall have the meaning set forth in the Preamble to this Agreement.

“Buyer Ancillary Agreements” shall have the meaning set forth in **Section 3.2(a)**.

“Buyer Indemnified Parties” shall have the meaning set forth in **Section 7.2(a)**.

“Buyer Material Adverse Effect” means a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or any Buyer Ancillary Agreement.

“Claim” shall have the meaning set forth in **Section 7.3**.

“Closing” shall have the meaning set forth in **Section 1.6**.

“Closing Date” shall have the meaning set forth in **Section 1.6**.

“Collection Period” shall have the meaning set forth in **Section 1.9(a)**.

“Communications Act” shall have the meaning set forth in **Section 2.7(c)**.

“Control” means, as to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms “Controlled” and “Controlling” shall have a correlative meaning.

“Damaged Asset” shall have the meaning set forth in **Section 4.4**.

“Effective Time” shall have the meaning set forth in **Section 1.6**.

“Employment Commencement Date” shall have the meaning set forth in **Section 4.7(a)**.

“Environmental Condition” shall have the meaning set forth in **Section 4.9**.

“Environmental Laws” shall have the meaning set forth in **Section 2.12**.

“Escrow Agent” shall have the meaning set forth in **Section 1.5(b)**.

“Escrow Deposit” shall have the meaning set forth in **Section 1.5(b)**.

“Excluded Assets” shall have the meaning set forth in **Section 1.2**.

“FCC” shall have the meaning set forth in the Recitals to this Agreement.

“FCC Application” shall mean the application or applications that Seller and Buyer must file with the FCC requesting its consent to the assignment of the FCC Licenses.

“FCC Consent” shall mean the initial action by the FCC granting the FCC Application.

“FCC Licenses” shall have the meaning set forth in **Section 1.1(a)**.

“Final Order” means an action by the FCC (a) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended, (b) with respect to which no request for stay, motion or petition for rehearing, reconsideration or review, or application or request for review or notice of appeal or *sua sponte* review by the FCC is pending, and (c) as to which the time for filing any such request, motion, petition, application, appeal or notice, and for the entry of orders staying, reconsidering or reviewing on the FCC’s own motion has expired.

“GAAP” means United States generally accepted accounting principles as in effect as of the date hereof, consistently applied.

“Governmental Authority” means any federal, state or local or any foreign government, legislature, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Intangible Property” shall have the meaning set forth in **Section 1.1(d)**.

“Law” means any United States (federal, state, local) or foreign statute, law, ordinance, regulation, rule, code, order, judgment, injunction or decree.

“Liens” shall have the meaning set forth in **Section 1.1**.

“Losses” shall have the meaning set forth in **Section 7.2(a)**.

“Notice of Disagreement” shall have the meaning set forth in **Section 1.8(g)**.

“Owned Real Property” shall have the meaning set forth in **Section 2.11**.

“Permitted Liens” means, as to any property or asset or as to the Stations, (a) the Assumed Obligations, (b) Liens for Taxes, assessments and other governmental charges not yet due and payable; (c) zoning laws and ordinances and similar Laws that are not violated by any existing improvement or that do not prohibit the use of the Real Property as currently used in the operation of the Stations; (d) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in the permits); (e) in the case of any leased asset, (1) the rights of any lessor under the applicable lease agreement or any Lien granted by any lessor and (2) the rights of the grantor of any easement or any Lien granted by such grantor on such easement property; (f) easements, rights of way, restrictive covenants and other encumbrances, encroachments or other similar matters affecting title that do not materially adversely affect title to the property subject thereto or impair the continued use of the property in the ordinary course of business of the Stations; (g) inchoate materialmen’s, mechanics’, workmen’s, repairmen’s or other like Liens arising in the ordinary course of business; and (h) any state of facts an accurate survey would show, provided same does not render title unmarketable or prevent the Real Property from being utilized in substantially the same manner currently used.

“Person” means any natural person, general or limited partnership, corporation, limited liability company, firm, association, trust or other legal entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Prorated Assumed Obligations” shall have the meaning set forth in **Section 1.8(a)**.

“Prorated Station Assets” shall have the meaning set forth in **Section 1.8(a)**.

“Purchase Price” shall have the meaning set forth in **Section 1.5(a)**.

“Real Property” shall have the meaning set forth in **Section 1.1(f)**.

“Reference Financial Statements” shall have the meaning set forth in **Section 2.6**.

“Retained Employees” shall have the meaning set forth in **Section 4.7(a)**.

“Retained Liabilities” shall have the meaning set forth in **Section 1.4**.

“Seller” shall have the meaning set forth in the Preamble to this Agreement.

“Seller Ancillary Agreements” shall have the meaning set forth in **Section 2.2(a)**.

“Seller Indemnified Parties” shall have the meaning set forth in **Section 7.2(b)**.

“Seller Material Adverse Effect” means a material adverse effect on: (a) the ability of Seller to perform its obligations under this Agreement or any Seller Ancillary Agreement or (b) the financial condition, assets or results of operations of Station Assets, taken as a whole; provided, however, that Seller Material Adverse Effect shall not include any material adverse effect primarily attributable to (i) any change or development generally applicable to the radio broadcast industry (including legislative or regulatory matters), (ii) general economic conditions, including any downturn caused by terrorist activity or a natural disaster, such as an earthquake or hurricane, or (iii) any public announcement of the transactions contemplated by this Agreement.

“Settlement Statement” shall have the meaning set forth in **Section 1.8(e)**.

“Station” or *“Stations”* shall have the meaning set forth in the Recitals to this Agreement.

“Station Assets” shall have the meaning set forth in **Section 1.1**.

“Station Contracts” shall have the meaning set forth in **Section 1.1(c)**.

“Station Employees” shall have the meaning set forth in **Section 2.13(a)**.

“Tangible Personal Property” shall have the meaning set forth in **Section 1.1(b)**.

“Tax” or *“Taxes”* means all federal, state, local or foreign income, excise, gross receipts, ad valorem, sales, use, employment, franchise, profits, gains, property, transfer, use, payroll, intangible or other taxes, fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax or additional amounts imposed by any Tax authority with respect thereto.

“Tax Returns” means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax authority relating to Taxes.

“To Buyer’s knowledge” or any variant thereof shall mean to the actual knowledge, after reasonable inquiry, of Buyer’s chief executive officer and chief financial officer.

“To Seller’s knowledge” or any variant thereof shall mean to the actual knowledge, after reasonable inquiry, of Seller’s chief executive officer, Seller’s chief financial officer, Seller’s director of engineering, Seller’s regional vice presidents and regional engineers with responsibility for the Stations and Seller’s market manager of the Stations, and Seller’s market controller for the Stations..

“Tradeout Agreement” means, as to a Station, any contract, agreement or

commitment, oral or written, pursuant to which Seller has agreed to sell or trade commercial air time or commercial production services of such Station in consideration for any property or service in lieu of or in addition to cash.

“Transfer Taxes” means all excise, sales, use, value added, registration stamp, recording, documentary, conveyancing, franchise, property, transfer and similar Taxes, levies, charges and fees.

“Upset Date” shall have the meaning set forth in **Section 8.1(a)(iv)**.

11.2 Terms Generally. The term *“or”* is disjunctive; the term *“and”* is conjunctive. The term *“shall”* is mandatory; the term *“may”* is permissive. Masculine terms apply to females; feminine terms apply to males. The term *“include,” “includes”* or *“including”* is by way of example and not limitation.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

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

Fidelity Broadcasting Corporation

By: Jerome Bresson
Name: Jerome Bresson
Title: President

Compass Radio Group LLC

By: _____
Name: Bob Woodward
Title: Managing Member

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

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

Fidelity Broadcasting Corporation

By: _____

Name: Jerome Bresson

Title: President

Compass Radio Group LLC

By: _____

Name: Bob Woodward

Title: Managing Member

LIST OF SCHEDULES & EXHIBITS

Schedule 1.1(a) – FCC Licenses

Schedule 1.1(c) – Station Contracts

Schedule 1.1(d) – Intangible Property

Schedule 1.1(f) – Real Property

Schedule 1.2(n) – Excluded Contracts

Schedule 2.7 – FCC License Exceptions

Schedule 2.7(a) – Conditions on FCC Licenses

Schedule 2.7(b) – Pending FCC Applications

Schedule 2.7(c) – Compliance with Communications Act and FCC Licenses

Schedule 2.7(d) – Pending Petitions, Complaints, Etc.

Schedule 2.8 – Exception to Title and Condition of Tangible Personal Property

Schedule 2.13 –Employee Information

Exhibit A – Escrow Agreement

Exhibit B – Local Marketing Agreement

Exhibit C-1 – Assignment & Assumption Agreement

Exhibit C-2 – Bill of Sale

Exhibit C-3 – Assignment & Assumption of FCC Licenses

Exhibit C-4 – Assignment & Assumption of Intangible Property