

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of this 3rd day of July, 2003 by and among Lazer Broadcasting Corp., a California corporation (the "Buyer"), NextMedia Operating, Inc., a Delaware corporation ("Operating"), and NM Licensing LLC, a Delaware limited liability company ("Licensing", and, collectively with Operating, the "Seller").

RECITALS

- A. Seller owns and operates radio station KSRN (FM) licensed to Kings Beach, California (the "Station").
- B. Seller owns or holds certain tangible and intangible assets, including certain licenses, permits and authorizations issued by the Federal Communications Commission (the "FCC"), used or useful in the operation and ownership of the Station.
- C. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, certain assets of Seller used or held for use in the ownership and operation of the Station.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. PURCHASE AND SALE OF ASSETS

1.1 Assets to be Transferred.

Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined), Seller shall sell, transfer, convey, assign, and deliver to Buyer, and Buyer shall purchase and accept from Seller the following assets of Seller that relate to the ownership and operation of the Station, together with all rights and privileges associated with such assets (collectively the "*Purchased Assets*"):

- (a) *Licenses*. The licenses, permits, and authorizations issued or granted by the FCC to Seller for the operation of the Station or used in connection with the operation of the Station as listed on Schedule 1.1(a) attached hereto (the "*FCC Authorizations*"), and all other licenses, permits and authorizations issued to Seller by any other governmental entity in connection with the ownership and operation of the Station as listed in Schedule 1.1(a) (collectively with the FCC Authorizations, the "*Licenses*").
- (b) *Tangible Personal Property*. All items of tangible personal property and equipment owned, leased or held by Seller and used in connection with the ownership and operation of the Station which are described or listed in Schedule 1.1(b) attached hereto.

- (c) *Books and Records.* All of Seller's rights in and to the public files, technical information and engineering data, filings with the FCC, and logs and records related to the operation of the Purchased Assets (excluding records related to any Excluded Asset (as hereinafter defined)).
- (d) *Intellectual Property.* All of Seller's rights in and to all registered and unregistered trademarks, trade names, service marks, franchises, copyrights, including registrations and applications for registration of any of them, jingles, logos, slogans, licenses, patents, Internet domain names, Internet URLs, Internet web sites, content and databases, permits and privileges, and other intangible property rights and interests applied for, issued to or owned by Seller and used exclusively in connection with the Station which are described or listed in Schedule 1.1(d) attached hereto.
- (e) *Station Contracts.* The contracts, leases, and other instruments listed on Schedule 1.1(e) attached hereto (collectively, the "*Assumed Contracts*").

1.2 Excluded Assets.

Notwithstanding anything to the contrary contained herein, it is understood and agreed that the Purchased Assets shall not include any of the following assets or any right, title or interest therein (collectively, the "*Excluded Assets*"):

- (a) Seller's cash on hand as of the Closing and any of Seller's interests in its bank accounts and all of Seller's other cash, cash equivalents, security funds, securities, investments and deposits;
- (b) Any claims, rights and interests in and to any refunds of Taxes for periods prior to the Closing Date. For purposes of this Agreement, the terms "*Tax*" and "*Taxes*" shall mean all federal, state, local, or foreign income, payroll, Medicare, withholding, unemployment insurance, social security, sales, use, service, service use, leasing, leasing use, excise, franchise, gross receipts, value added, alternative or add-on minimum, estimated, occupation, real and personal property, stamp, duty, transfer, workers' compensation, severance, windfall profits, environmental (including Taxes under Section 59A of the Internal Revenue Code of 1986, as amended (the "*Code*")), or other tax, charge, fee, levy or assessment of the same or of a similar nature, including any interest, penalty, or addition thereto whether disputed or not;
- (c) Any accounts receivable for advertising broadcast on the Station up to and including the Closing Date;
- (d) Seller's business name, all records relating to the Excluded Assets and to Seller's accounts payable and general ledger records, and Seller's books and records relating to Seller's internal corporate matters and financial relationships with Seller's lenders;

- (e) Any insurance policies and proceeds thereof, promissory notes, bonds, certificates of deposits or other similar items and cash surrender value in regard thereto;
- (f) Any pension, profit-sharing, or employee benefits plans;
- (g) All of Seller's Tax Returns and supporting materials, all original financial statements and supporting materials, all books and records that Seller is required by law to retain, and all records of Seller relating to the sale of the Purchased Assets. The term "*Tax Return*" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes or any amendment thereto, and including any schedule or attachment thereto; and
- (h) All of such other assets, properties, interests and rights owned by Seller that are used in connection with the business or operations of the Station that are not included in the Purchased Assets.

2. ASSUMPTION OF LIABILITIES

2.1 Liabilities to be Assumed.

Subject to the terms and conditions of this Agreement, on the Closing Date, Buyer expressly shall assume and agrees to perform and discharge those liabilities and obligations that arise from the ownership or operation of the Purchased Assets from and after the Closing Date (collectively, the "*Assumed Liabilities*").

2.2 Liabilities Not to be Assumed.

Notwithstanding anything contained in this Agreement to the contrary, Buyer does not assume or agree to pay, satisfy, discharge or perform, and will not be deemed by virtue of the execution and delivery of this Agreement or any document delivered in connection with the execution of this Agreement, or as a result of the consummation of the transactions contemplated by this Agreement, to have assumed, or to have agreed to pay, satisfy, discharge or perform, any liability, obligation or responsibility, fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured of Seller other than the Assumed Liabilities.

3. PURCHASE PRICE – PAYMENT

3.1 Purchase Price.

The purchase price (the "*Purchase Price*") for the Purchased Assets shall be TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000).

3.2 Payment of Purchase Price.

The Purchase Price shall be paid by Buyer as follows:

- (a) *Earnest Money.* Within five (5) business days of execution of this Agreement, Buyer shall deposit with the Escrow Agent (as defined in the Escrow Agreement attached hereto as Exhibit A) an earnest money deposit in the amount of TWO HUNDRED TWELVE THOUSAND DOLLARS (\$212,000) in immediately available funds (the “*Earnest Money*”). The Earnest Money shall be deposited in an interest-bearing account pursuant to the terms of the Escrow Agreement.
- (b) *Cash At Closing.* At Closing, Buyer shall pay to Seller TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) in immediately available funds (which amount may include the Earnest Money).

3.3 Allocation of Purchase Price.

On or before the Closing Date, the aggregate Purchase Price (including the assumption by Buyer of the Assumed Liabilities, if any) shall be allocated among the Purchased Assets for tax purposes (the “*Allocation*”). At least five (5) business days before the Closing Date, Seller will deliver to Buyer a draft of its proposed allocation, to which Buyer will respond within two (2) business days. Seller and Buyer shall determine such Allocation in good faith. Seller and Buyer will follow and use the Allocation in all Tax Returns, filings or other related reports made by them to any governmental agencies.

4. REPRESENTATIONS AND WARRANTIES OF SELLER

Each Seller makes the following representations and warranties to Buyer, each of which is true and correct on the date hereof, shall remain true and correct to and including the Closing Date, shall be unaffected by any investigation heretofore or hereafter made by Buyer, or any knowledge of Buyer other than as specifically disclosed in the Disclosure Schedule delivered to Buyer at the time of the execution of this Agreement, and shall survive the Closing of the transactions provided for herein as specified in Article 14 of this Agreement.

4.1 Organization; Power.

Operating is a corporation validly existing and in good standing under the laws of the State of Delaware and is qualified to conduct business in Nevada. Licensing is a limited liability company validly existing and in good standing under the laws of the State of Delaware and is qualified to do business in Nevada. Each Seller has full power and authority to own, operate and lease its properties, to carry on its business as and where such is now being conducted and as proposed to be conducted by it, to enter into this Agreement and the other documents and instruments to be executed and delivered by each Seller pursuant hereto and to carry out the transactions contemplated hereby and thereby.

4.2 Authority.

The execution and delivery of this Agreement and the other documents and instruments to be executed and delivered by each Seller pursuant to this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or limited liability company action. This Agreement constitutes, and

when executed and delivered, the other documents and instruments to be executed and delivered by each Seller pursuant hereto will constitute, valid binding agreements of each Seller, enforceable in accordance with their respective terms except as such may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally, and by general equitable principles.

4.3 No Violation.

Neither the execution and delivery of this Agreement or the other documents and instruments to be executed and delivered by Seller pursuant hereto, nor the consummation by Seller of the transactions contemplated hereby and thereby (a) will violate any applicable law or order, (b) will violate any provision of its organizational instruments, (c) will, either with the giving of notice, the passage of time, or both, conflict with, constitute grounds for termination of, or result in a material breach of the terms of, or constitute a default under any agreement, instrument, trust instrument or permit, (d) will result in the creation of any lien, charge or encumbrance on any of the Purchased Assets, (e) will in any way affect or violate the terms or conditions of, or result in cancellation of the Licenses, and (f) except for prior approval of the transfer of ownership of the FCC Authorizations by the FCC, and any third party consents listed on Schedule 4.3 attached hereto, will require any authorization, consent, approval, exemption or other action by or notice to any entity.

4.4 Litigation.

There is no litigation pending or, to Seller's knowledge, threatened against Seller relating to its ownership and operation of the Purchased Assets, nor does Seller know of any basis for any such litigation.

4.5 Compliance With Laws and Orders.

- (a) *Compliance.* The Purchased Assets are in compliance in all material respects with all applicable laws and orders, including, without limitation, applicable environmental rules and regulations, the Communications Act of 1934, as amended ("*Communications Act*"), and the rules, orders and policies of the FCC. Seller: (i) has not received notice of any violation or alleged violation pertaining to the operation of the Purchased Assets, and (ii) to its knowledge after due inquiry, is subject to no liability for past or continuing violations of any laws or orders pertaining to the operation of the Purchased Assets. All reports and returns pertaining to the operation of the Purchased Assets required to be filed by Seller with any government entity have been filed and were accurate and complete in all material respects when filed.
- (b) *Licenses and Permits.* The FCC Authorizations are validly issued in the name of Seller. Seller is in compliance in all material respects with the FCC Authorizations and will or has applied to the FCC to obtain approval of the transfer of the FCC Authorizations to Buyer pursuant to Article 6 herein. Each of the FCC Authorizations is in full force and effect, is

assignable to Buyer in accordance with the terms hereof, and all fees with respect to such Licenses have been paid. Seller has not received any notice of any material violations of the terms of any of the FCC Authorizations, the Communications Act or the rules and regulations of the FCC thereunder that remain pending and unresolved. To the knowledge of Seller, there is no action pending or threatened by or before the FCC which, if determined adversely to Seller, would result in the revocation, cancellation, rescission or material and adverse modification of any of the FCC Authorizations. Seller acknowledges that to the extent that Seller's failure to comply with the FCC Authorizations prior to the Closing Date directly results in the payment of any fees or expenses by Buyer to a third party, including but not limited to the FCC, that, following receipt of written notice from Buyer to Seller of the nature and the amount of such payment, Seller shall promptly reimburse Buyer for the fees or expenses paid by Buyer.

4.6 Title to and Condition of the Purchased Assets.

At Closing, Seller shall have, and shall convey to Buyer, good and marketable title to all the Purchased Assets, free and clear of all liens (statutory or otherwise), security interests, claims, pledges, licenses, equities, options, conditional sales contracts, assessments, levies, charges or encumbrances of any nature whatsoever (collectively, "*Liens*") except for (a) liens for Taxes not yet due and payable; (b) rights reserved by any governmental authority to regulate the affected property; or (c) as to leased assets, interests of the lessor thereof and liens affecting the interests of the Lessors thereof (collectively, "*Permitted Liens*"). Except for approval of the transfer of ownership by the FCC and the consents listed on Schedule 4.3, none of the Purchased Assets are subject to any restrictions with respect to the transferability thereof. The Purchased Assets are in good operating condition and repair, ordinary wear and tear excepted.

Broker Commission or Finder's Fees.

Except as listed on Schedule 4.7, neither Seller, nor any entity acting on behalf of Seller, has agreed to pay a broker, commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto.

4.8 No Third Party Options.

There are no existing agreements with, operations of rights of, or commitments to any person other than Buyer to acquire any of the Purchased Assets or any interest therein.

Contracts.

Seller has delivered to Buyer true and complete copies of all written Assumed Contracts and true and complete memoranda of all oral Assumed Contracts, including any amendments and other modifications. The Assumed Contracts constitute valid and binding obligations of Seller and are in full force and effect as of the date hereof. Neither Seller nor, to Seller's knowledge, any other party thereto is in default under any of the Assumed Contracts.

Seller has not received or given written notice of any default thereunder from or to any of the other parties thereto. Except as disclosed on Schedule 4.3, Seller has all requisite power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement and such assignment will not affect the validity, enforceability or continuity of any such Assumed Contracts. To the extent that any Assumed Contract to be assigned hereunder requires the consent of any other person or party to its assignment, Seller shall use its commercially reasonable efforts to procure such consent and deliver it to Buyer prior to Closing. Failure to obtain such consent shall not, however, be deemed a material default by Seller.

4.10 Intellectual Property.

Schedule 1.1(e) lists all registered intellectual property applied for, issued to or owned by Seller for use exclusively in the operation of the Station and the call letters for the Station.

5. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to Seller, each of which is true and correct on the date hereof, shall remain true and correct to and including the Closing Date, shall be unaffected by any investigation heretofore or hereafter made by Seller, or any knowledge of Seller other than as specifically disclosed in the Disclosure Schedule delivered to Seller at the time of the execution of this Agreement, and shall survive the Closing of the transactions provided for herein as specified in Article 14 of this Agreement.

5.1 Organization and Corporate Power.

- (a) *Organization.* Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of California. Buyer is, or will be on the Closing Date, duly qualified as a foreign corporation in the State of Nevada.
- (b) *Corporate Power.* Buyer has all requisite corporate power to enter into this Agreement and the other documents and instruments to be executed and delivered by Buyer and to carry out the transactions contemplated hereby and thereby.

5.2 Authority.

The execution and delivery of this Agreement and the other documents and instruments to be executed and delivered by Buyer pursuant to this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action. This Agreement constitutes, and when executed and delivered, the other documents and instruments to be executed and delivered by Buyer pursuant hereto will constitute, valid and binding agreements of Buyer, enforceable in accordance with their respective terms, except as such may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally, and by general equitable principles.

5.3 No Violation.

Neither the execution and delivery of this Agreement or the other documents and instruments to be executed and delivered by Buyer pursuant hereto, nor the consummation by Buyer of the transactions contemplated hereby and thereby (a) will violate any applicable law or order, (b) will violate any provision of its organizational instruments, or (c) will, either with the giving of notice, the passage of time, or both, conflict with, constitute grounds for termination of, or result in a material breach of the terms of, or constitute a default under any agreement, instrument, trust instrument or permit.

5.4 Qualification.

Buyer knows of no fact that would, under the Communications Act or the rules, regulations and policies of the FCC, disqualify Buyer from acquiring the Licenses.

5.5 Broker or Finders Fee.

Neither Buyer, nor any entity acting on behalf of Buyer, has agreed to pay a broker, commission, finder's fee or similar payment in connection with the Agreement or any matter related hereto.

5.6 Financial Capability.

Buyer has and will have on the Closing Date sufficient cash and cash equivalents and/or credit facilities (and has provided Seller with evidence thereof) to purchase the Purchased Assets and to consummate the transactions contemplated by this Agreement, including, without limitation, payments of fees and expenses contemplated hereunder.

6. APPLICATIONS TO AND CONSENT BY FCC

6.1 FCC Consent.

Consummation of the transactions provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the FCC, within three hundred sixty-five (365) days of the date of acceptance for filing of the Assignment Application (defined hereinafter), shall have issued its written consent to such assignment without any condition materially adverse to Buyer (the "*FCC Consent*"). In the event that Seller is unable to procure the FCC Consent, and such failure is not based on any action or inaction of the Buyer, Buyer may cancel the transaction and Buyer shall receive its Earnest Money and any interest earned thereon. As used herein, the "*Assignment 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 Authorizations from Seller to Buyer.

6.2 Assignment Application and Notice.

As promptly as practicable following the execution date of this Agreement, Seller and Buyer shall file the Assignment Application with the FCC, including all information, data, exhibits, resolutions, statements and other materials required to be filed in connection with the

Assignment Application. Seller shall, at its expense, give due notice of the filing of the Assignment Application by broadcasting notice of such filing on the Station or by such other means as may be required by the rules and regulations of the FCC; provided that Buyer shall deliver to Seller on the date the Assignment Application is filed with the FCC, the information relating to Buyer that is required to be included in such notice.

Mutual Covenant of Reasonable Cooperation.

Seller and Buyer shall diligently and expeditiously take all necessary and proper steps, provide any additional information requested by the FCC, and otherwise use their commercially reasonable efforts to obtain the FCC Consent and to comply with this Article 6.

Assignment Application Expenses and Fees.

Each party shall be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the Assignment Application. All filing fees relating to the Assignment Application imposed by the FCC shall be paid one-half each by Seller and Buyer.

7. OTHER MATTERS

7.1 Costs.

Except as otherwise provided herein, each party to this Agreement shall be responsible for and bear all of such party's own costs and expenses, including, without limitation, any broker's or finder's fees and the expenses of its representatives, incurred at any time in connection with pursuing or consummating the transactions contemplated by this Agreement.

Preclosing Covenants.

Between the execution date and the Closing Date, except with the prior consent of Buyer, Seller:

- (a) shall conduct the operation of the Station in accordance with the Communications Act, the rules and regulations of the FCC, and all applicable laws and orders; and
- (b) shall not cause or permit the Licenses to expire or be surrendered or adversely modified, or take any action which would cause the FCC or any other governmental entity to institute proceeding for the suspension, revocation or adverse modification of any of the Licenses.

Risk of Loss.

Risk of loss for damage to or theft, loss or destruction of the Purchased Assets (by any means, including, without limitation, acts of God) occurring after the date of this Agreement and prior to the Closing shall be borne by Seller, and after the Closing shall be borne by Buyer.

7.4 Updating of Schedules.

From time to time after the execution of this Agreement and prior to the Closing, Seller will promptly supplement or amend the Schedules delivered in connection herewith with respect to any matter which exists or occurs after the date of this Agreement and which, if existing or occurring at or prior to the date of this Agreement, would have been required to be set forth or described in the Schedules or which is necessary to correct any information therein; *provided, however*, that the provisions of this Section are informational only and Buyer shall not be bound to the terms of any changed Schedules unless they are incorporated into this Agreement by a written amendment signed by Buyer.

Transfer Taxes and Similar Charges.

All recordation, transfer and documentary taxes and fees, stamps, and any excise, sales or use taxes, and all similar costs of transferring the Purchased Assets in accordance with this Agreement shall be borne by Seller.

Bulk Sales Law.

The parties do not believe that any bulk sales or fraudulent conveyance statute applies to the transactions contemplated by this Agreement. Buyer, therefore, waives compliance by Seller with the requirements of any such statutes and Seller agrees to indemnify, defend and hold Buyer harmless against any claim made against Buyer as a result of a failure to comply with any such statute.

Other Action.

Both Buyer and Seller shall use such party's commercially reasonable efforts to cause the fulfillment at the earliest practicable date of all of the conditions to each such party's obligations to consummate the transactions contemplated in this Agreement.

Disclosure.

Buyer and Seller shall each have a continuing obligation to promptly notify the other party in writing with respect to any matter hereafter arising or discovered which, if existing or known at the date of this Agreement, would have been required to be set forth or described in the Disclosure Schedule, but no such disclosure shall cure any breach of any representation or warranty which is inaccurate. Further, Buyer and Seller shall give prompt notice to other party at any occurrence that comes to its attention that may constitute a misrepresentation, breach of warranty, or nonfulfillment of any covenant or condition on the part of Seller or Buyer contained in this Agreement.

7.9 Station Trust

Seller has entered into an agreement to purchase radio station KNHK (FM), a radio station in the same radio market as the Station. Pursuant to the acquisition of KNHK (FM) and to comply with the rules and regulations of the FCC, the Seller has entered into that certain Reno Station Trust Agreement, dated as of May 19, 2003 (the "*Trust Agreement*"), by and

among Licensing, Operating, and David Juris (the "Trustee"), whereby Seller will place the Station in trust with the Trustee pending the consummation of the transactions contemplated by the sale of KNHK (FM) (the "Trust"). Buyer and Seller hereby acknowledge and agree that Seller shall be permitted under this Agreement to place the Purchased Assets into the Trust pursuant to the Trust Agreement, and that Seller may freely assign all rights and obligations under this Agreement to the Trust, provided, however, that Seller shall, nevertheless, remain liable for all of its obligations to Buyer hereunder to the extent that such obligations are not performed by the Trust.

8. FURTHER COVENANTS OF SELLER

Seller covenants and agrees as follows:

8.1 Conduct of Business Pending the Closing.

From the date hereof until the Closing, or the earlier termination of this Agreement without a closing, Seller shall have complete control and supervision of and sole responsibility for the operation of the Station and the Purchased Assets and during such period:

- (a) *Operation of the Station.* Seller shall operate the Station and shall take such action as may be necessary to maintain, preserve, renew and keep in force and effect the FCC authorizations.
- (b) *No Breach.* Seller shall not take or fail to take, or permit any act or failure to act, which may cause a breach of any commitment or obligation, or a breach of any representation, warranty, covenant or agreement made by Seller herein.
- (c) *No Negotiations.* Seller shall not directly or indirectly (through a representative or otherwise) solicit or furnish any information to any prospective buyer, commence, or conduct presently ongoing, discussions or negotiations with any other party or enter into any agreement with any other party concerning the sale of the Purchased Assets or any part thereof (an "acquisition proposal"), and Seller shall immediately advise Buyer of the receipt of any written acquisition proposal.

8.2 Consents.

Seller shall use its commercially reasonable efforts prior to Closing to obtain all consents necessary for the consummation of the transactions contemplated hereby.

8.3 Access to Facilities, Files and Records.

At the request of Buyer, Seller shall from time to time give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of Buyer: (a) full access during normal business hours to all equipment, machinery, fixtures, furniture and documentation that represents a part of the Purchased Assets; and (b) all such other information concerning the Purchased Assets as Buyer may reasonably request; provided that such requests

and Seller's compliance therewith do not interfere with the normal operations of the Station. Any investigation or examination by Buyer shall not in any way diminish or obviate any representations or warranties of Seller made in this Agreement or in connection herewith. Seller shall cause its accountants and any agent of Seller in possession of Seller's books and records to cooperate with Buyer's requests for information pursuant to this Agreement.

FCC Cooperation.

Seller will use its commercially reasonable efforts to cooperate with Buyer with any FCC filings that Buyer may make regarding the relocation of the Station's broadcast facilities. Notwithstanding the foregoing, Seller shall not be obligated to take any action that would result in the incurrence of any out-of-pocket expense or would adversely effect the operation of Seller's business.

8.5 Financial Statements.

Seller shall provide unaudited financial statements related to its operation of the Station as may be reasonably requested by Buyer to the extent that such information is available and in the form in which such information is available. Notwithstanding the foregoing, Seller shall provide such information to Buyer without any representation or warranty as to its accuracy or otherwise. Seller shall not be obligated to prepare any financial statements which are not readily available or to incur any expenses in connection with providing the information referenced in this Section 8.5.

Estoppel Certificates.

Seller shall request from each of the landlords under the leases that are Assumed Contracts estoppel certificates in a form reasonably acceptable to Buyer evidencing (a) to the extent required in the Assumed Contract, the consent of landlords to assign such Assumed Contract, (b) Seller's material compliance with all material terms of such Assumed Contracts, including the timely payment of rent, and (c) the existence of no default under such Assumed Contract (the "Estoppel Certificates").

Temporary Use of Studios.

For a period of up to ninety (90) days after the Closing Date, Buyer shall be permitted to operate the Station from the Station's current studio facilities on Seller's premises in Reno, Nevada, subject to, at all times, the usage requirements of Seller in the ownership and operation of Seller's business. During such time period, Buyer's employees shall be granted access to the Station's studios during regular business hours (9:00 a.m. to 3:00 p.m., Monday through Saturday) as well as during evening and weekend hours by arrangement. Seller shall have no liability for injury or property damage caused by Buyer's employees, and may refuse access to Buyer's employees unless and until Buyer can demonstrate liability and casualty insurance in appropriate amounts. Buyer shall indemnify, defend and hold harmless Seller and Seller's Affiliates (as defined herein) from and against all Claims (as defined herein) asserted against, imposed upon or incurred by Seller or Seller's Affiliates, directly or indirectly, by reason of or resulting from Buyer's use of Seller's studio facilities.

9. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

Each and every obligation of Buyer to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of each of the following conditions:

9.1 Representations and Warranties True on the Closing Date.

Each of the representations and warranties made by Seller in this Agreement, and the statements contained in any instrument, certificate or writing delivered by Seller pursuant to this Agreement, shall be true and correct when made and shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made or given on and as of the Closing Date, except for those given as of a specified date which must only be true and correct as of such specified date.

9.2 Compliance With Agreement.

Seller shall have performed and complied in all material respects with all of Seller's agreements and obligations under this Agreement which are to be performed or complied with by Seller prior to or on the Closing Date, including the delivery of the closing documents specified in Section 12.2 hereof.

9.3 Absence of Litigation.

No litigation shall have been commenced or threatened, and no investigation by any government entity shall have been commenced, against Buyer, Seller or any of the affiliates, officers, members or shareholders of any of them, with respect to the transactions contemplated hereby.

9.4 Consents and Approvals.

The FCC Consent and all other approvals, consents and waivers that are required to effect the assignments of the FCC Authorizations shall have been received, and such FCC Consent shall have become a Final Order (as defined herein).

9.5 Closing Certificates.

Buyer shall have received a certificate, dated as of the Closing Date, from an authorized representative of each Seller certifying that the conditions set forth in Sections 9.1 and 9.2 hereof have been fulfilled.

9.6 Opinion of Counsel.

Buyer shall have received a written opinion of Seller's FCC counsel dated as of the Closing Date, in substantially the form attached hereto as Exhibit B.

10. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

Each and every obligation of Seller to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following conditions:

Representations and Warranties True on the Closing Date.

Each of the representations and warranties made by Buyer in this Agreement, and the statements contained in any instrument, certificate or writing delivered by Buyer pursuant to this Agreement, shall be true and correct when made and shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made or given on and as of the Closing Date, except for those given as of a specified date which must only be true and correct as of such specified date.

Compliance With Agreement.

Buyer shall have performed and complied in all material respects with all of Buyer's agreements and obligations under this Agreement which are to be performed or complied with by Buyer prior to or on the Closing Date, including the delivery of the closing documents and the Purchase Price specified in Section 12.3 of this Agreement.

Consents and Approvals.

The FCC Consent and all other approvals, consents and waivers that are required to effect the assignments of the FCC Authorizations shall have been received, and such FCC Consent shall have become a Final Order (as defined herein).

Certifications, etc.

Seller shall have received a certificate, dated as of the Closing Date, from an authorized representative of Buyer, certifying that the conditions set forth in Sections 10.1 and 10.2 hereof have been fulfilled.

Absence of Litigation.

No litigation shall have been commenced or threatened, and no investigation by any government entity shall have been commenced, against Buyer, Seller or any of the affiliates, officers, members or shareholders of any of them, with respect to the transactions contemplated hereby.

11. INDEMNIFICATION

By Seller.

Subject to the terms and conditions of this Article 11, Seller hereby agrees to indemnify, defend and hold harmless Buyer, and its directors, officers, employees, members, managers and controlled and controlling persons (hereinafter "*Buyer's Affiliates*"), from and

against all Claims (as defined herein) asserted against, imposed upon, or incurred by Buyer, Buyer's Affiliates or the Purchased Assets, directly or indirectly, by reason of, or resulting from:

- (a) the inaccuracy or breach of any representation or warranty of Seller contained in or made pursuant to this Agreement; provided that any claim for indemnification made by Buyer pursuant to this Section 11.1(a) must be made within the time period described in Section 14 of this Agreement;
- (b) the breach of any covenant of Seller contained in this Agreement;
- (c) any Claim brought by or on behalf of any broker or finder retained, employed or used by Seller or any of its directors, officers, employees, members or agents in connection with the transactions provided for herein or the negotiation thereof, whether or not disclosed herein;
- (d) any Claim relating to the ownership or operation of the Purchased Assets prior to the Closing Date including, without limitation, any liabilities arising under the FCC Authorizations which relate to events occurring prior to the Closing Date; or
- (e) any Claim made against Buyer as a result of a failure to comply with any bulk sales or fraudulent conveyance statute.

As used in this Article 11, the term "Claim" shall include losses, damages, liabilities, judgments, awards, penalties and settlements, demands, claims, suits, actions, causes of action, proceedings and assessments, and the costs and expenses (including court costs and fees and reasonable attorneys' fees and expenses) in connection therewith and related thereto.

11.2 By Buyer.

Subject to the terms and conditions of this Article 11, Buyer hereby agrees to indemnify, defend and hold harmless Seller, and its directors, officers, employees, members, managers, and controlled and controlling persons (hereinafter "*Seller's Affiliates*") from and against all Claims asserted against, imposed upon or incurred by Seller or Seller's Affiliates, directly or indirectly, by reason of or resulting from:

- (a) the inaccuracy or breach of any representation or warranty of Buyer contained in or made pursuant to this Agreement, provided that any claim for indemnification made by Seller pursuant to this Section 11.2(a) must be made within the time period described in Section 14 of this Agreement;
- (b) the breach of any covenant of Buyer contained in this Agreement;
- (c) any Claim brought by or on behalf of any broker or finder retained, employed or used by Buyer or any of its directors, officers, employees, members or agents in connection with the transactions provided for herein or the negotiation thereof, whether or not disclosed herein; or

- (d) any Claim relating to the ownership or operation of the Purchased Assets arising from events that occurred on or after the Closing Date including, without limitation, any Liabilities arising under the FCC Authorizations which relate to events occurring on or after the Closing Date.

11.3 Indemnification of Third-Party Claims.

The following provisions shall apply to any Claim subject to indemnification which is (i) a suit, action or arbitration proceeding filed or instituted by any third party, or (ii) any other form of proceeding or assessment instituted by any government entity:

- (a) *Notice and Defense.* The party or parties to be indemnified (whether one or more, the “*Indemnified Party*”) will give the party from whom indemnification is sought (the “*Indemnifying Party*”) prompt written notice of any such Claim, and the Indemnifying Party may undertake the defense thereof by representatives chosen by it. Failure to give such notice shall not affect the Indemnifying Party’s duty or obligations under this Article 11, except to the extent the Indemnifying Party is prejudiced thereby. So long as the Indemnifying Party is defending any such Claim actively and in good faith, the Indemnified Party shall not settle such Claim. The Indemnified Party shall make available to the Indemnifying Party or its representatives all records and other materials required by them and in the possession or under the control of the Indemnified Party, for the use of the Indemnifying Party and its representatives in defending any such Claim, and shall in other respects give reasonable cooperation in such defense.
- (b) *Failure to Defend.* If the Indemnifying Party, within a reasonable time after notice of any such Claim, decides not to defend such Claim actively and in good faith, the Indemnified Party will (upon further notice) have the right to undertake the defense, compromise or settlement of such Claim or consent to the entry of a judgment with respect to such Claim, on behalf of and for the account and risk of the Indemnifying Party, and the Indemnifying Party shall thereafter have no right to challenge the Indemnified Party’s defense, compromise, settlement or consent to judgment.
- (c) *Indemnified Party’s Rights.* Anything in this Article 11 to the contrary notwithstanding, (i) if there is a reasonable probability that a Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right to defend, compromise or settle such Claim, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise any Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect of such Claim.

11.4 Payment.

The Indemnifying Party shall promptly pay the Indemnified Party any amount due under this Article 11. Upon judgment, determination, settlement or compromise of any third party Claim, the Indemnifying Party shall pay promptly on behalf of the Indemnified Party, and/or to the Indemnified Party in reimbursement of any amount theretofore required to be paid by it, the amount so determined by judgment, determination, settlement or compromise and all other Claims of the Indemnified Party with respect thereto, unless in the case of a judgment, an appeal is made from the judgment. If the Indemnifying Party desires to appeal from an adverse judgment, then the Indemnifying Party shall post and pay the cost of the security or bond to stay execution of the judgment pending appeal. Upon payment in full by the Indemnifying Party, the Indemnifying Party shall succeed to the rights of such Indemnified Party, to the extent not waived in settlement, against the third party who made such third party Claim.

Limits on Indemnity.

Notwithstanding any other provision hereof or of any applicable law, neither party will be entitled to make a claim against the other party under Sections 11.1(a), 11.2(a) or 11.3 for any breach of a representation and warranty unless and until the aggregate amount of claimed losses exceeds Ten Thousand Dollars (\$10,000), in which event the party seeking indemnification will be entitled to make a claim against the other party for the full amount of claimed losses. Notwithstanding the foregoing, the aggregate amount of claims that may be asserted for indemnification hereunder shall in no event exceed the Purchase Price.

12. CLOSING

Closing.

The closing of this transaction (the "Closing") shall take place no later than the fifteenth (15th) day after the date the FCC Consent shall have become a Final Order (as defined herein), or on such other date to which the parties mutually agree (the "Closing Date"). The Closing shall be conducted by exchange of documents by facsimile, electronically, and overnight carrier or such other means as the parties mutually agree. For purposes of this Agreement, the FCC Consent shall have become a final order (the "Final Order") when it is no longer subject to rehearing, reconsideration or review by the FCC or to appeal or review by any court under the Communications Act or the regulations of the FCC.

Documents to be Delivered by Seller.

At the Closing, Seller shall deliver to Buyer the following documents, in each case duly executed or otherwise in proper form:

- (a) *Compliance Certificate*. The certificates described in Section 9.5 of this Agreement.
- (b) *Assignment of FCC Authorizations*. An assignment of FCC Authorizations sufficient in the opinion of Buyer and its counsel to assign the FCC Authorizations to Buyer.

- (c) *Opinions of Counsel.* A written opinion of Seller's FCC counsel, dated as of the Closing Date, addressed to Buyer, in substantially the form of Exhibit B attached hereto.
- (d) *Resolutions.* A copy of the resolutions of the board of directors and/or managers of each Seller authorizing and approving this Agreement and the transactions contemplated by this Agreement.
- (e) *Good Standing Certificates.* Good standing certificates from Delaware and Nevada for each Seller.
- (f) *Transfer Documents.* Such bills of sale, assignments, and other good and sufficient instruments of transfer as Buyer may reasonable request in order to convey and transfer to Buyer title to the Purchased Assets (collectively, the "*Transfer Documents*").
- (g) *Estoppel Certificates.* The certificates described in Section 8.6 of this Agreement.
- (h) *Other Documents.* All other documents, instruments or writings required to be delivered at or prior to the Closing pursuant to this Agreement and other certificates of authority and documents as Buyer may reasonably request.

12.3 Documents to be Delivered by Buyer.

At the Closing, Buyer shall deliver to Seller the following documents, in each case duly executed or otherwise in proper form:

- (a) *Cash Purchase Price.* A wire transfer of immediately available funds as required by Section 3.2(c) of this Agreement.
- (b) *Compliance Certificate.* The certificate described in Section 10.4 of this Agreement.
- (c) *Resolutions.* A copy of the resolutions of the Board of Directors of Buyer authorizing and approving this Agreement and the consummation of the transactions contemplated by this Agreement.
- (d) *Other Documents.* All other documents, instruments or writings required to be delivered to Seller at or prior to the Closing pursuant to this Agreement and such other certificates of authority and documents as Seller may reasonably request.

13. TERMINATION

Right of Termination Without Breach.

This Agreement may be terminated without further liability of any party at any time prior to the Closing:

- (a) by mutual written agreement of Buyer and Seller, or
- (b) by either Buyer or Seller if the Closing shall not have occurred on or before the date which is one year from the date on which the Assignment Application is accepted for filing by the FCC, provided the terminating party has not, through breach of a representation, warranty or covenant, prevented the Closing from occurring on or before such date.

Termination for Breach.

- (a) *Termination by Buyer.* If (i) Seller has failed to cure any material violation or breach of any of its agreements, representations or warranties contained in this Agreement within ten (10) days after delivery of written notice of such violation or breach from Buyer, (ii) there has been a failure of satisfaction of a condition to the obligations of Buyer which has not been waived by Buyer (and such failure has not been caused by an act or failure to act by Buyer) or (iii) Seller shall have attempted to terminate this Agreement under this Article 13 or otherwise without grounds to do so and without acting in good faith, then Buyer, by written notice to Seller at any time prior to the Closing that such violation, breach, failure or wrongful termination attempt is continuing, may terminate this Agreement. Upon termination of this Agreement by Buyer pursuant to this Section 13.2(a), Buyer, in addition to any other remedy that may be available, shall be entitled to equitable relief pursuant to Section 16.4 of this Agreement.
- (b) *Termination by Seller.* If (i) Buyer has failed to cure any material violation or breach of any of its agreements, representations or warranties contained in this Agreement within ten (10) days after delivery of written notice of such violation or breach from Seller, (ii) there has been a failure of satisfaction of a condition to the obligations of Seller which has not been waived by Seller or (iii) Buyer shall have attempted to terminate this Agreement under this Article 13 or otherwise without grounds to do so and without acting in good faith, then Seller, by written notice to Buyer at any time prior to the Closing that such violation, breach, failure or wrongful termination attempt is continuing, may terminate this Agreement and shall be entitled to retain the Earnest Money as its sole and exclusive remedy as liquidated damages and not as a penalty.

14. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations and warranties of Seller and Buyer contained in this Agreement shall survive for one (1) year after the Closing Date.

15. MISCELLANEOUS

15.1 Further Assurances.

From time to time, at Buyer's request and without further consideration, Seller shall execute and deliver to Buyer such documents, instruments and consents and take such other action as Buyer may reasonably request in order to consummate more effectively the transactions contemplated hereby, to discharge the covenants of Seller and to vest in Buyer good, valid and marketable title to the Purchased Assets. Buyer acknowledges and agrees that, from and after the Closing Date, that Buyer shall cooperate with Seller and shall take such action as Seller shall reasonably request so that Buyer may continue to operate the Excluded Assets or otherwise address any matter relating to Seller's ownership of the Purchased Assets or operation of the Station prior to the Closing Date; *provided, however*, that in connection with Buyer performing its obligations under this Section 15.1, Buyer shall not be obligated to incur any out-of-pocket costs or expenses.

Disclosures and Announcements.

Both the timing and the content of all disclosure to third parties and public announcements concerning the transactions provided for in this Agreement by either Seller or Buyer shall be subject to the approval of the other party in all material respects, except that neither party's approval shall be required as to any statements and other information which either party may submit to the FCC, or be required to make pursuant to any rule or regulation of the FCC, or otherwise as required by law.

Assignment; Parties in Interest.

- (a) *Assignment.* Except as expressly provided herein, the rights and obligations of a party hereunder may not be assigned, transferred or encumbered without the prior written consent of the other party. Notwithstanding the foregoing, Buyer may, upon written notice to Seller, cause one or more assignees of Buyer to carry out all or part of the transactions contemplated hereby; *provided, however*, that Buyer shall, nevertheless, remain liable for all of its obligations to Seller hereunder. Notwithstanding the foregoing, Seller may freely assign all of its rights and obligations hereunder to the Trust as contemplated in Section 7.9, *provided, however*, that Seller shall, nevertheless, remain liable for all of its obligations to Buyer hereunder to the extent that such obligations are not performed by the Trust.
- (b) *Parties in Interest.* This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and permitted assigns of the parties hereto. Nothing contained herein shall be deemed to

confer upon any other person any right or remedy under or by reason of this Agreement.

Equitable Relief.

Seller agrees that any breach of Seller's obligation to consummate the sale of the Purchased Assets on the Closing Date will result in irreparable injury to Buyer for which a remedy at law would be inadequate; and that, in addition to any relief at law which may be available to Buyer for such breach and regardless of any other provision contained in this Agreement, Buyer shall be entitled to the equitable relief of specific performance and any and all other remedies available at law or in equity. If any action is brought by Buyer against Seller for failure by Seller to complete the sale of the Purchased Assets on the Closing Date, Seller will waive the defense that there is an adequate remedy at law.

Law Governing Agreement.

This Agreement shall be construed and interpreted according to the internal laws of the State of Delaware, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

Amendment and Modification.

Buyer and Seller may amend, modify and supplement this Agreement in such manner as may be agreed upon by them in writing.

Notice.

All notices, requests, demands and other communications hereunder shall be given in writing and shall be: (a) personally delivered; (b) sent by telecopier, facsimile transmission or other electronic means of transmitting written documents; or (c) sent to the parties at their respective addresses indicated herein by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service. The respective addresses to be used for all such notices, demands or requests are as follows:

(a) If to Buyer, to:

Lazer Broadcasting Corp.
200 South "A" Street, 4th Floor
Oxnard, California 93030
Attention: Alfredo Plascencia, President
Facsimile: (805) 240-5960

(with a copy to)

Fletcher, Heald & Hildreth, P.L.C.
1300 North 17th Street, 11th Floor
Arlington, Virginia 22209

Attention: Harry C. Martin, Esq.
Facsimile: (703) 812-0486

or to such other person or address as Buyer shall furnish to Seller in writing.

(b) If to Seller to:

Next Media Operating, Inc.
6312 S. Fiddler's Green Circle, Suite 360E
Englewood, Colorado 80111
Attention: Sean Stover
Facsimile: (303) 694-4940

(with a copy to)

Weil, Gotshal & Manges LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Attention: Glenn D. West, Esq.
John E. Quattrocchi, Esq.
Facsimile: (214) 746-7777

or to such other person or address as Seller shall furnish to Buyer in writing.

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section.

15.8 Confidentiality.

Any and all information, disclosures, knowledge or facts regarding Buyer or Seller or their respective businesses or properties to which the other party is exposed as a result of the negotiation, preparation or performance of this Agreement shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except for the other party's employees, attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys, on a need-to-know basis for the purpose of consummating the transactions contemplated by this Agreement. Notwithstanding the foregoing, no party shall be required to keep confidential information that (a) is in the public domain, (b) is required to be disclosed pursuant to an order or request of a judicial or governmental authority (provided the non-disclosing party is given reasonable prior notice such that it may seek, at its expense,

confidential treatment of the information to be disclosed), or (c) is required to be disclosed under applicable law or rule, as reasonably determined by counsel for the receiving party.

Entire Agreement.

This instrument embodies the entire agreement between the parties hereto and supersedes all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the parties with respect to the transactions contemplated herein.

15.10 Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be treated the same as original signatures.

15.11 Headings.

The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

15.12 Severability.

If any one or more of the provisions contained in this Agreement should be found invalid, illegal or unenforceable, in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

15.13 Attorneys' Fees.

If either party initiates any litigation against the other party involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

Counsel.

Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including, but not limited to, any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

15.15 Schedules.

The Schedules and Exhibits attached to this Agreement and any other documents delivered to Buyer by Seller pursuant hereto are hereby made a part of this Agreement as if set forth in full herein.

[Signature Page Follows]

JUL-07-2003 14:00

W B S H LLP

11.02

SENT BY: HP LASERJET 3150;

303 694 4658;

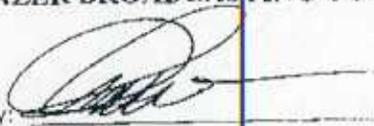
JUN-25-03 1:22PM;

PAGE 2/2

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

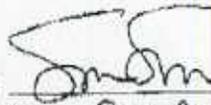
BUYER:

LAZER BROADCASTING CORP.

By: 
Name: _____
Title: _____

SELLER:

NEXTMEDIA OPERATING, INC.

By: 
Name: Sean R. Stover
Title: Senior Vice President

NM LICENSING LLC

By: 
Name: Sean R. Stover
Title: Vice President

SCHEDULE 1.1(a)

STATION LICENSE

Station KSRN (FM), Kings Beach, CA

Main License	BLH-19981015KD
Facilty ID	34582
Frequency/Type	107.7 MHz
FCC Class	C3

SCHEDULE 1.1(b)

TANGIBLE PERSONAL PROPERTY

One BE custom main/aux transmitter package in cabinet consisting of

- FM-500 main transmitter with FX-50 exciter
- FM-250 auxiliary transmitter
- BE auto-transfer controller with interface
- 7/8" EIA motorized coax switch
- BE voice remote control with interface

Also at the site are:

- Mosely PCL-6000 series STL receiver
- Scala Paraflector STL receiver antenna with cable
- ERI MPX-2E HW transmitting antenna with radomes
- 234' 1 5/8" foam Heliac transmission line with connectors and adapters
- Phone line surge protector
- Single-line phone

The studio assets to be included in the sale of KSRN (FM) are:

- (1) Radio Systems RS18 console with power supply and copy stand
- (3) Shure SM7 microphones with arms and risers
- (1) Symetrix 528e mic processor
- (1) Scott Studios SS16 System
- (1) Telos 1x6 telephone system
- (1) Tascam 3030 reel to reel recorder
- (2) Denon cartridge-based CD players
- (4) ITC SP stereo cartridge machines
- (1) Ashley power amplifier
- (2) JBL 4312 studio monitors
- (2) Benchmark headphone amplifiers for guest mic positions with mic cough switches
- (1) Harmon Kardon air monitor tuner
- (1) TFT EAS remote control 941A
- (1) lot custom and integrated subassemblies for mix-minus and machine control
- (1) custom studio furniture with three drafting chairs
- (1) Moseley PCL-600 STL transmitter
- (1) Orban 8100A Processor
- (1) lot audio carts
- (1) Scala PR-950U Paraflector STL antenna with .5" Heliac cable and jumpers
- (1) Realistic Phone Flasher
- (1) Realistic Phone Speaker

SCHEDULE 1.1(d)

INTELLECTUAL PROPERTY

KSRN – Call Sign

Memories1077.com

SCHEDULE 1.1(e)

CONTRACTS

Software Products Schedule, dated as of February 24, 2000, by and between Radio Computing Services, Inc. and NextMedia Operating, Inc.

Traffic License Agreement, dated as of March 14, 2000, by and between Custom Business Systems, Inc. and NextMedia Operating, Inc. (the "CBSI Agreement")

Sub-Lease Agreement, dated as of March 1, 1998 by and between Lotus Radio Corporation and Vernon Miller, d/b/a Miller Media, as assigned to NextMedia Operating, Inc. (the "Tower Lease -Lotus Radio Corporation")

SCHEDULE 4.3

CONSENTS

Tower Lease - Lotus Radio Corporation

The CBSI Agreement

Deutsche Bank Trust Company Americas

SCHEDULE 4.7

BROKER

Media Venture Partners

ESCROW AGREEMENT

AGREEMENT, effective as of the 2nd day of July, 2003, by and among

BUYER: Lazer Broadcasting Corp.
Address: 200 South A Street, 4th Floor

Oxnard, CA 93030

SELLER: NextMedia Operating, Inc.
Address: 6312 S. Fiddlers Green Circle, Suite 360E

Englewood, CO 80111

and
NM Licensing, LLC
Address: 6312 S. Fiddlers Green Circle, Suite 360E

Englewood, CO 80111

ESCROW AGENT: Media Venture Partners, Ltd.
Address: Two Jackson Street
Suite 100
San Francisco, CA 94111
Attn: Sarah O'Sullivan

WITNESSETH:

WHEREAS, Buyer and Seller have entered into an Agreement of Purchase and Sale with respect to KSRN-FM licensed to Kings Beach, CA, said Agreement dated the 2nd day of July, 2003, being by reference incorporated herein and made a part hereof (the "Agreement"), and

WHEREAS, the parties wish to provide for an orderly disposition of the funds deposited into escrow pursuant to said Agreement;

NOW, THEREFORE, in consideration of the premises, promises and mutual covenants herein, the parties hereby agree as follows:

1. DEPOSIT OF ESCROW FUNDS Upon the execution of this Escrow Agreement, buyer is delivering or causing to be delivered to the Escrow Agent, the sum of Two Hundred Twelve Thousand Dollars (\$212,000) in cash ____, check ____, or other _____ (check appropriate box, and if other, describe).
2. INVESTMENT OF ESCROW FUND The Escrow Agent shall upon request of Buyer, invest and reinvest the escrow funds in direct obligations of the United States government, in federally insured savings accounts or in bank certificates of deposits, as Buyer shall instruct; provided, that the Escrow Agent shall not be required to invest in or hold any instrument in bearer form. The Escrow Agent shall hold said escrow funds together with all interest accumulated thereon and proceeds therefrom and dispose of the same as hereinafter provided.
3. DISPOSITION OF ESCROW FUNDS The Escrow Agent shall distribute and dispose of the escrow funds as follows:
 - (a) In the event the purchase and sale closes in the manner contemplated in the Agreement, the escrow funds shall be paid over to the Seller at closing in accord with said Agreement. In such event, all interest earned and accumulated thereon and proceeds therefrom shall be paid over to Buyer at closing.
 - (b) In the event the purchase and sale does not close as contemplated in the Agreement due to the material breach by or default of the Buyer under the terms of the Agreement, then the escrow funds shall be paid over to Seller together with all interest earned and accumulated thereon and the proceeds therefrom.
 - (c) In the event the purchase and sale does not close as contemplated in the Agreement due to material breach by or default of the Seller under the terms of the Agreement, then the escrow funds shall be paid over to Buyer together with all interest earned and accumulated thereon and the proceeds therefrom.
 - (d) In all other events, if the Agreement is terminated or if the transactions or closing contemplated thereby are not consummated, the escrow funds shall be returned to the Buyer together with all interest earned.
 - (e) If any provision of this Paragraph with respect to the disposition of the escrow fund is in conflict with any provision of the Agreement with respect to such disposition, then such provision in the Agreement shall prevail.
4. CONTROVERSIES WITH RESPECT TO ESCROW The Escrow Agent shall discharge his duties to dispose of the escrow fund in accord with the provisions of paragraph 3 above upon the joint written instructions of the Seller and Buyer or their duly designated representatives. If the Escrow Agent shall not have received such joint written instructions and a controversy shall exist between Buyer and Seller as to the correct

disposition of the escrow funds, the Escrow Agent shall continue to hold the escrow funds and the income earned or accrued thereon until:

(a) The receipt by the Escrow Agent of the joint written instructions of the Seller and Buyer as to the disposition of the escrow funds; or

(b) The receipt by the Escrow Agent of a final order entered by a court of competent jurisdiction determining the disposition of the escrow funds and the income earned or accrued thereon; or

(c) The Escrow Agent shall have, at its option, filed an action or bill in interpleader, or similar action for such purpose, in a court of competent jurisdiction and paid the escrow funds and all income earned or accrued thereon into said court, in which event, the Escrow Agent's duties, responsibilities and liabilities with respect to the escrow fund, proceeds therefrom and this Agreement shall terminate.

5. CONCERNING THE ESCROW AGENT The following shall control the fees, resignation, discharge, liabilities and indemnification of the Escrow Agent:

(a) The Escrow Agent shall charge no fees for its service hereunder, but shall be reimbursed for all reasonable expenses, disbursements and advancements incurred or made by the Escrow Agent in performance of his duties hereunder; one-half (1/2) of any such expenses, disbursements and advances to be paid by Buyer and one-half (1/2) by the Seller, other than expenses for investments authorized hereunder which shall be borne by Buyer.

(b) The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of such resignation to the parties hereto, specifying the date when such resignation shall take effect. Upon such notice, a successor escrow agent shall be appointed with the unanimous consent of the parties hereto, and the service of such successor escrow agent shall be effective as of the date of resignation specified in such notice, which date shall not be less than thirty (30) days after the giving of such notice. If the parties hereto are unable to agree upon a successor escrow agent within thirty (30) days after such notice, the Escrow Agent shall be authorized to appoint its successor. The Escrow Agent shall continue to serve until its successor accepts the escrow by written notice to the parties hereto and the Escrow Agent deposits the escrow fund with such successor escrow agent.

(c) The Escrow Agent undertakes to perform such duties as are specifically set forth herein and may conclusively rely, and shall be protected in acting or refraining from acting, on any written notice, instrument or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so. The Escrow Agent shall have no responsibility for the contents of any writing contemplated herein and may rely without any liability upon the contents thereof.

(d) The Escrow Agent shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized hereby or within the rights and powers conferred upon it hereunder, nor for action taken or omitted by it in good faith, or in accordance with advice of counsel and it shall not be liable for any mistake of fact or error of judgment or for any acts or omissions of any kind unless caused by its own misconduct or gross negligence.

(e) Each of the Buyer and Seller agrees to indemnify the Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder as a consequence of such party's action, and the Buyer and Seller agree jointly to indemnify the Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder which are not a consequence of any party's actions, except in the case of liabilities incurred by the Escrow Agent resulting from its own misconduct or gross negligence.

(f) The Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any cash or security deposited with it.

(g) Buyer and Seller agree each to pay one half of the escrow agent's out-of-pocket costs within fifteen (15) days of presentment, including reasonable attorneys fees which the escrow agent may expend or incur in any dispute or action.

Should Buyer or Seller fail to reimburse escrow agent for such out-of-pocket costs and/or attorney's fees, the escrow agent, at its option, may choose to deduct said expenses from any escrow funds disbursed from the escrow account.

6. MISCELLANEOUS

(a) This Escrow Agreement shall be construed by and governed in accordance with the laws of the State of Delaware, applicable to agreements executed and wholly to be performed therein.

(b) This Escrow Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and assigns.

(c) This Escrow Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

(d) All notices, requests, demands and other communication hereunder shall be in writing, shall be given simultaneously to all parties hereunder and shall be deemed to have been duly given if delivered or mailed (certified mail, postage pre-paid, return receipt requested) as follows:

If to Seller: NextMedia Operating, Inc.
6312 S. Fiddler's Green Circle, Suite 360E
Englewood, Colorado 80111
Attention: Sean R. Stover
Fax: (303) 694-4940

With copies to:
Weil, Gotshal & Manges LLP
100 Crescent Court, Suite 1300
Dallas, Texas 75201
Attention: Glenn D. West
John E. Quattrocchi
Fax: (214) 746-7777

If to Buyer: Lazer Broadcasting Corp.
200 South "A" Street, 4th Floor
Oxnard, California 93030
Attention: Alfredo Plascencia
Fax: (805) 240-5960

With copies to:
Fletcher, Heald & Hildreth, P.L.C.
1300 North 17th Street, 11th Floor
Arlington, Virginia 22209
Attention: Harry C. Martin, Esq.
Fax: (703) 812-0486

If to Escrow Agent: Media Venture Partners, Ltd.
Two Jackson Street
Suite 100
San Francisco, CA 94111
Attention: Sarah O'Sullivan
Fax: (415) 391-4912

or to such other addresses as any party may have furnished to the other in writing, in accord herewith.

7. TERMINATION This Escrow Agreement shall automatically terminate upon the distribution of the escrow fund in accord with the terms hereof.

IN WITNESS WHEREOF, the parties have caused their hands, or those of their duly authorized officers, and seals to be affixed as of the date first above written.

SELLER:

By:

BUYER:

By:

ESCROW AGENT: Media Venture Partners, LTD.

By:

[FORM OF SELLER'S FCC COUNSEL OPINION]

[Address]

RE: NextMedia Operating, Inc. and NM Licensing LLC

Ladies & Gentlemen:

We have acted as special communications counsel for each of NextMedia Operating, Inc., a Delaware corporation ("NMO"; and successor in interest to NextMedia Group II, Inc., a Delaware corporation "NMG") and NM Licensing LLC, a Delaware limited liability company ("NML"; and together with NMO, hereinafter referred to collectively as "Sellers"), in connection with that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of _____ by and among Sellers and _____ ("Buyers"), relating to the purchase and sale of radio station _____ This opinion is being delivered pursuant to Section _____ of the Purchase Agreement.

In our examination we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to authentic original documents of all documents submitted to us as certified, conformed or photostatic copies. As to any facts material to this opinion which we did not independently establish or verify, we have relied upon statements and representations of Sellers and their respective officers and other representatives and of public officials.

In rendering the opinions set forth herein, we have examined and relied on (a) examination of the Station's records available for public inspection on the Federal

Communications Commission (“FCC”) database websites on _____, (b) a consultation with Ms. Karen Richardson of the FCC’s Enforcement Bureau on _____, (c) our own files for the Station and (d) originals or copies of the following (items ____ through ____ below are hereinafter referred to collectively as the “Acquisition Documents”):

[identify documents]

(a)

(i) such other agreements and documents as we have deemed necessary or appropriate

as a basis for the opinions set forth below.

We do not express any opinion with respect to any law other than the Communications Act of 1934, as amended, and the rules, regulations and administrative orders promulgated thereunder (“Federal Communications Law”) by the FCC.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings herein as ascribed thereto in the Purchase Agreement. “Applicable Laws” shall mean those laws, rules and regulations which, in our experience, are normally applicable to transactions of the type contemplated by the Purchase Agreement, without our having made any special investigation as to the applicability of any specific law, rule or regulation and which are not the subject of a specific opinion herein referring expressly to a particular law or laws. “Governmental Approval” means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any governmental authority pursuant to Federal Communications Law.

Based upon the foregoing, and subject to limitations, qualifications, exceptions and assumptions set forth herein, we advise you that in our opinion:

1. Neither the execution and delivery by each Seller of the Acquisition Documents, nor the performance by each Seller of its obligations thereunder, violates or conflicts with, results in a breach of, or constitutes a default under Federal Communications Law, or to our knowledge any judgment, decree or order of any court or any other agency of government that is applicable to any Seller or any Seller's property, or any material agreement known to this firm to which any Seller is a party or by which any Seller's property is bound.

2. To our knowledge, there is no action, suit, investigation or proceeding that is pending or threatened against or affecting any Seller in any court or before any governmental authority, arbitration board, or tribunal that involves any of the transactions contemplated by the Purchase Agreement or, if decided adversely to any Seller, would involve the possibility of materially and adversely affecting the Station Assets or the business conducted by such Seller.

3. To our knowledge, the Sellers have not entered into any agreement pursuant to which any other individual or entity has obtained the right to acquire any or all of the Station Assets.

4. Seller holds all FCC licenses, permits and authorizations set forth in Exhibit "A" hereto (such FCC licenses, permits, and authorizations, collectively, "FCC Authorizations"). The FCC Authorizations are in full force and effect. None of the FCC Authorizations is the subject of a license renewal application pending at the FCC. Exhibit "A" hereto accurately lists the current expiration date of each of the FCC Authorizations. NML has been authorized by the FCC to operate the Station. None of the FCC Authorizations is subject to any conditions, except

standard conditions usually placed on similar authorizations and conditions that are not materially adverse.

5. The FCC has granted its consent to the assignment of the FCC Authorizations from NML to (the "Consent") without the imposition of conditions outside of the ordinary course. The order of the FCC granting its Consent was issued on and was placed on public notice. The time within which any party in interest other than the FCC may seek administrative or judicial reconsideration or review of such consent has expired and, to our knowledge after due inquiry, no petition for such reconsideration or review was timely filed with the FCC or with a court of competent jurisdiction. The normal time within which the FCC may review such consent on its own motion has expired and, to our knowledge, the FCC has not undertaken such review.

6. To our knowledge, there is not now issued, pending, or threatened any judgment, decree, order, complaint, petition, application, investigation, notice of violation, notice of apparent liability, or order to show cause by or before the FCC against any Seller with respect to the Station or the FCC Authorizations nor is there any proceeding by or before the FCC (apart from proceedings affecting FM broadcast stations in general) that is reasonably likely to have a material adverse effect upon the Station or any of the FCC Authorizations.

Our opinions are subject to the following assumptions and qualifications:

(a) enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in equity or at law);

(b) we have assumed that the Acquisition Documents constitute the valid and binding obligation of the Buyers, enforceable against them in accordance with their terms;

(c) we express no opinion as to the effect on the opinions expressed herein of (i) the compliance or non-compliance of the Buyers, with any state, federal or other laws or regulations applicable to the Buyers or (ii) the legal or regulatory status or the nature of the business of the Buyers;

(d) the approval, execution, delivery and performance of any of the Buyers' obligations under the Acquisition Documents does not and will not conflict with, contravene, violate or constitute a default under (i) any lease, indenture, instrument or other agreement to which the Buyers are subject, (ii) any rule, law or regulation to which the Buyers are subject or (iii) any judicial or administrative order or decree of any governmental authority; and

(e) no authorization, consent or other approval of, notice to or filing with any court, governmental authority or regulatory body (other than the FCC) is required to authorize or is required in connection with the approval, execution, delivery or performance by each Seller of the Acquisition Documents or the transactions contemplated thereby.

This opinion is being furnished only to you in connection with the Purchase Agreement and is solely for your benefit and the benefit of your lenders and is not to be used, circulated, quoted or otherwise referred to for any other purpose or relied upon by any other person or entity for any other purpose without our prior written consent.

Very truly yours,

LEIBOWITZ & ASSOCIATES, P.A

By: