

ASSET PURCHASE AGREEMENT

among

**WILKS BROADCAST-RENO LLC
WILKS LICENSE COMPANY-RENO LLC**

and

LOTUS RADIO CORP.

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, made as of the 14th day of April, 2016 (this “*Agreement*”), is between Wilks Broadcast-Reno LLC, a Delaware limited liability company (“*Seller*”), Wilks License Company-Reno LLC, a Delaware limited liability company (“*License Co.*,” and, together with Seller, “*Sellers*”), and Lotus Radio Corp., a Nevada corporation (“*Buyer*”). Capitalized terms used and not otherwise defined have the meanings set forth in Section 11.1.

RECITALS

- A. License Co. is a wholly-owned subsidiary of Seller.
- B. License Co. is the licensee of radio broadcast station KTHX(FM), licensed to Dayton, Nevada (Facility ID No. 48685) and FM translator station K240CA, licensed to Crystal Bay (Brockway), NV (Facility ID No. 49252) (each a “*Station*,” and collectively, the “*Stations*”), pursuant to licenses issued by the Federal Communications Commission (the “*FCC*”) and Seller owns or leases various assets or properties with respect to the operation of the Stations.
- C. Simultaneously with the purchase and sale contemplated hereby, and as a condition to the closing thereof, Buyer is transferring its entire right, title and interest in and to the FCC license of radio broadcast station KFOY (“*Station KFOY*”), licensed to Sparks, Nevada (FCC Facility ID# 160030) (the “*Station KFOY Disposition*”)
- D. This Agreement is intended to provide for the sale, assignment and transfer to Buyer of the Station Assets 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.

Agreement

In consideration of the foregoing premises, which are incorporated into this Agreement, the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, 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, and shall cause License Co. to, sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Sellers, Sellers’ entire right, title and interest in and to the assets, properties, interests and rights of Sellers, which are used or held solely for the

operation of the Stations (“*Station Assets*”), but excluding the Excluded Assets as hereinafter defined. Except as provided in Section 1.2, the Station Assets consist of the following:

(a) all licenses, permits and other authorizations issued to License Co. by the FCC with respect to the Stations, including those described on Schedule 1.1(a), and including any pending applications for or renewals or 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 Seller used or held solely for the operation of the Stations, including those listed on Schedule 1.1(b), except any retirements or dispositions of any of the foregoing made between the date hereof and the Closing in the ordinary course of business (the “*Tangible Personal Property*”);

(c) all contracts, orders, agreements, leases and licenses of Seller relating solely to any of the Stations or any of the business or employees of or for any of the Stations or the Station Assets, including those listed on Schedule 1.1(c) (collectively, the “*Assumed Contracts*”), but excluding any contracts listed on Schedule 1.2(r) and Group Contracts, which will be subject to the provisions of Section 1.7;

(d) Sellers’ entire right, title and interest in and to the Stations’ call letters, registered and unregistered trademarks and associated goodwill, trade names, service marks, copyrights, jingles, logos, slogans, internet domain names, internet uniform resource locaters, 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 Sellers that are used 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) of Sellers relating solely 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 any of the Excluded Assets; and

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

The foregoing 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, and similar encumbrances (“*Liens*”), except for Permitted Liens, and except as otherwise 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 either Seller

or License Co. (the “*Excluded Assets*”) shall not be acquired by Buyer and are excluded from the Station Assets:

- (a) Each Seller’s books and records pertaining to the organization, existence or capitalization thereof, tax records, financial records not solely related to the Stations and all books, records and documents relating to any of the Excluded Assets or any of the Retained Liabilities;
- (b) all cash, cash equivalents, or similar type investments of either Seller or License Co., 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 at the Closing Date (the “*Accounts Receivable*”), and (ii) all notes receivable, promissory notes or amounts due or payable from employees or others;
- (d) intercompany accounts receivable and accounts payable;
- (e) all insurance policies or any proceeds payable thereunder, except as otherwise provided by Section 4.5;
- (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;
- (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 the names “Wilks,,” “Wilks Broadcast” and “Wilks Broadcasting” and logos or variations thereof, including trademarks, trade names and domain names, and all goodwill associated therewith;
- (j) all rights to marks not used in the operation of any of the Stations, whether or not previously used, and all goodwill associated therewith;
- (k) the computer and information technology software, applications and systems used by Seller or any of its Affiliates in connection with any radio station or business other than primarily with respect to any of the Stations, however stored, utilized or accessed and including servers (including virtual servers) and equipment used for electronic mail (otherwise referred to as “*Exchange*”), the corporate intranet site (otherwise referred to as iWilks), and networking of multiple locations;
- (l) Group Contracts (other than the rights and obligations related to the Stations to be assumed by Buyer as contemplated by Section 1.7);
- (m) all ASCAP, BMI and SESAC licenses;

- (n) all items of personal property owned by personnel at any of the Stations;
- (o) any cause of action or claim of any of Sellers relating to any event or occurrence prior to the Effective Time;
- (p) all rights of either Seller under this Agreement or with respect to any of the transactions contemplated hereby;
- (q) all rights necessary to defend and discharge the Retained Liabilities, and all causes of action of either Seller or License Co. in respect thereof, or in respect of any of the Excluded Assets, or otherwise accrued or accruing or relating to any periods, events or occurrences prior to the Closing; and
- (r) the contracts and other assets identified on Schedule 1.2(r).

1.3 Assumption of Obligations. At the Closing, Buyer shall assume and agrees to duly and timely pay, discharge and perform the following (collectively, the “*Assumed Obligations*”):

- (a) all liabilities, obligations and commitments of either Seller or WBG under the Assumed Contracts to the extent they arise or relate to any period on or after the Closing; and
- (b) all obligations related to the Stations (or any of them) under the Group Contracts to the extent assigned or transferred to Buyer.

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 either Seller of any nature whatsoever (other than Assumed Obligations), whether accrued, absolute, contingent or otherwise, other than the Assumed Obligations (the “*Retained Liabilities*”), all of which shall be retained by Seller.

1.5 Purchase Price

(a) In consideration for the sale of the Station Assets, Buyer, at the Closing, in addition to assuming the Assumed Obligations, will pay to (or for the benefit of) Seller One Million Two Hundred Thousand Dollars (\$1,200,000) (the “*Purchase Price*”) by wire transfer of immediately available federal funds pursuant to wire instructions that Seller shall provide to Buyer.

(b) Simultaneously with the execution of this Agreement, Buyer has delivered \$100,000 (the “*Escrow Deposit*”) to Michael Bergner (the “*Escrow Agent*”) to be held pursuant to an Escrow Agreement dated as of even date herewith. The Escrow Deposit shall be paid to Seller as partial payment of (and applied to) the Purchase Price due at Closing to Seller, or shall otherwise be released in accordance with Sections 8.1(c) and 8.1(e) hereof.

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) on the later of (a) one (1) Business Day after the day that the FCC Consent becomes a Final Order and (b) the date on which each of the other conditions to Closing set forth in Article V has been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions at such time). 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 occurs is referred to herein as the “*Closing Date*.” The effective time of the Closing shall be 12:01 a.m., local Station time, on the Closing Date (the “*Effective Time*”).

1.7 Group Contracts. Buyer shall assume at the Closing all rights and obligations related to the Stations (or any of them) under each Group Contract on Schedule 1.7, whether by partial assignment of such Group Contract, by Buyer entering into a new agreement with the applicable counterparty under such Group Contract, or by an amendment to such Group Contract with the applicable counterparty, in each case in a manner reasonably acceptable to Seller.

1.8 Collection of Receivables. Following the Closing, Seller will deliver to Buyer a schedule of Accounts Receivable. Buyer agrees to use commercially reasonable efforts to collect the Accounts Receivable for the sole benefit of Seller. From the Closing Date through the 120-day period following the Closing Date (the “*Collection Period*”), Buyer shall collect the cash proceeds from the Accounts Receivable (all such collections whether during or after the Collection Period being the “*Collections*”). Any Collections from any account debtor with respect to an Accounts Receivable shall be credited against the account of such account debtor in the order the Accounts Receivable owing therefrom with respect to any of the Stations were invoiced, except to the extent a legitimate dispute exists with respect to a particular receivable and Buyer promptly notifies Seller of such dispute. Within five (5) days after the end of each calendar month during the Collection Period, Buyer shall deliver to Seller (i) a report showing all Collections during such month, and (ii) a wire transfer of immediately available funds to such account as Seller shall specify in an amount equal to the aggregate amount of the Collections during such month. Within ten (10) days after the end of the Collection Period, Buyer shall deliver to Seller (i) a final statement or report showing all Collections made during the Collection Period, (ii) a wire transfer in an amount equal to any remaining Collections which had not been previously remitted to Seller, and (iii) all records of uncollected Accounts Receivable, and thereafter Buyer shall have no further obligation to collect the same, except that, in the event that Buyer receives payment in respect of any Accounts Receivable after the Collection Period, Buyer shall promptly remit the same to Seller no less frequently than monthly. Buyer shall not agree to or permit any settlement, discount or reduction of any of the Accounts Receivable without the prior written consent of Seller. Buyer shall not assign, pledge or grant a security interest in any of the Accounts Receivable to any person or entity or claim a security interest or right in or to any of the Accounts Receivable and Buyer's obligations to make payment to Seller of the Collections shall not be subject to any set-off whatsoever. Seller shall remain responsible for all commissions it owes in respect of any Accounts Receivable collected by Seller (directly or from Buyer) after the Closing Date. In no event shall Buyer be required to initiate any legal

proceedings to enforce the collection of any Accounts Receivable or to refer any of such Accounts Receivable to any collection agency.

ARTICLE II REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

2.1 Existence and Power. Each of Sellers is a limited liability company validly existing and in good standing under the laws of the jurisdiction of its organization. Seller is qualified to do business as a foreign limited liability company and in good standing in Nevada and each Seller is qualified to do business in each jurisdiction where qualification is necessary, except where failure to be so qualified will not have a Seller Material Adverse Effect. Seller has the requisite limited liability company power and limited liability company authority to own and operate the Stations as currently operated, and License Co. has the requisite limited liability company power and limited liability company authority to hold the FCC Licenses.

2.2 Authorization.

(a) The execution and delivery by Sellers of this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Sellers pursuant hereto (the "*Seller Ancillary Agreements*"), the performance by Sellers of their respective obligations hereunder and thereunder and the consummation by Sellers of the transactions contemplated hereby and thereby are within Sellers' respective limited liability company powers and have been duly authorized by all requisite limited liability company action on the part of Sellers.

(b) This Agreement has been, and each Seller Ancillary Agreement will be, duly executed and delivered by the respective Seller party thereto. Assuming due authorization, execution and delivery by Buyer, this Agreement constitutes, and each Seller Ancillary Agreement will constitute when executed and delivered by applicable Seller party thereto, the legal, valid and binding obligation of such Sellers, enforceable against such Sellers 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 the Sellers of this Agreement and each Seller Ancillary Agreement to which it is party 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 the FCC.

2.4 Noncontravention. Except as disclosed on Schedule 2.4, the execution, delivery and performance of this Agreement and each Seller Ancillary Agreement by the respective Sellers party thereto and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of either Seller; (b) assuming compliance with the matters referred to in Section 2.3, conflict with or violate any Law

or Governmental Order applicable to either 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 either Seller under, any provision of any Assumed Contract; or (d) except for Permitted Liens, result in the creation or imposition of any Lien on the Station Assets.

2.5 Absence of Litigation. Except as otherwise disclosed on Schedule 2.5, there is no Action pending or, to Seller's knowledge, threatened against either Seller.

2.6 [Intentionally Omitted]

2.7 FCC Licenses.

(a) The FCC Licenses were validly issued by the FCC, are validly held by License Co. and are in full force and effect. The FCC Licenses are not subject to any condition except for those conditions that appear on the face of or are incorporated by reference in the FCC Licenses or those conditions applicable to radio broadcast licenses generally. The FCC Licenses listed on Schedule 1.1(a) constitute all authorizations issued by the FCC necessary for the operation of the Stations as currently conducted by Seller.

(b) The FCC Licenses for the Stations have been issued for the full terms customarily issued to radio broadcast stations licensed to the state in which the Station's community of license is located. Except as set forth on Schedule 2.7(b), as of the date of this Agreement, neither of Sellers has any application pending before the FCC relating to the operation of the Stations.

(c) Except as set forth on Schedule 2.7(c), the Station are being operated in compliance with the Communications Act of 1934, as amended (the "*Communications Act*") and the rules and published policies of the FCC (collectively, with the Communications Act, the "*Communications Laws*"), and Seller or License Co. has filed or made all applications, reports 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.

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

(e) To Sellers' knowledge, there are no matters relating to either Seller or the Station (but not to Buyer nor any affiliate thereof) that would reasonably be expected to (i) result in the FCC's refusal to grant the FCC Consent, (ii) materially delay obtaining the FCC Consent or (iii) cause the FCC to impose a material adverse condition or conditions on its granting of the FCC Consent except for any conditions normally found on such a consent applicable to radio stations generally applicable to radio stations.

2.8 Tangible Personal Property.

(a) Schedule 1.1(b) contains a list of all items of material Tangible Personal Property as of the date of this Agreement. Except as disclosed on Schedule 2.8(a), the Tangible Personal Property is in all material respects in operating condition, ordinary wear and tear and routine maintenance and force majeure events excepted.

(b) Except as disclosed on Schedule 2.8(b), Seller has good title to the Tangible Personal Property free and clear of Liens other than Permitted Liens.

2.9 Assumed Contracts. Schedule 1.1(c) lists all Assumed Contracts as of the date of this Agreement, excluding (A) advertising sales and air time orders and contracts in the ordinary course of business, (B) orders for supplies or services made in the ordinary course of business (on customary terms and conditions or consistent with past practice) involving payments by Seller of less than \$10,000 in any single case or series of related orders and \$20,000 in the aggregate, and (C) contracts entered into in the ordinary course of business on customary terms and conditions or consistent with past practice which are terminable by Seller on less than 30 days' notice without any penalty or consideration or involving payments or receipts during the entire term of such contracts of less than \$5,000 in the case of any single contract but not more than \$20,000 in the aggregate. Seller shall be permitted to amend Schedule 1.1(c) after the date hereof (without the same constituting a breach hereof) to reflect any Assumed Contracts not prohibited under Section 4.3(a) hereof and necessary to prevent the failure of the condition set forth in Section 5.1(a) hereof, so long as such amendment does not have, individually or in the aggregate, a Seller Material Adverse Effect. Each Assumed Contract (including each of the Real Property Leases) 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 default under any Assumed Contract, and, to Seller's knowledge, no other party to any of the Assumed Contracts is in default thereunder.

2.10 Intangible Property. Schedule 1.1(d) identifies the call letters of the Stations and all registered Intangible Property in the name of either of Sellers. Except as set forth on Schedule 2.10, no Seller has received written notice of any claim that its use of any Intangible Property infringes upon or conflicts with any third party rights. Seller owns or has the right to use the Intangible Property material to the Stations free and clear of Liens other than Permitted Liens. As of the date of this Agreement, no Intangible Property is the subject of any pending, or, to Seller's knowledge, threatened legal proceedings against any Sellers or the Station claiming infringement or unauthorized use thereof.

2.11 Real Property. Schedule 1.1(f) lists each lease, sublease, license or similar agreement pertaining to the Real Property (the "*Real Property Leases*"). Seller has a valid leasehold interest in the Real Property covered by the Real Property Leases, or has a valid license to occupy or use the Real Property (and as permitted by) the Real Property Leases, as of the date of this Agreement. The Real Property Leases provide reasonable access to the Stations' facilities under the terms thereof. To Seller's knowledge, none of the Real Property is subject to any suit for condemnation or other taking by any public authority. As of the date of this Agreement: Seller has received no notice of default under or termination of any Real Property

Leases, and Seller has no knowledge of any currently pending default under any Real Property Lease. Seller is not in material default under any of the Real Property Leases and, to Seller's knowledge, the other parties to the Real Property Leases are not in material default. Seller knows of no facts or circumstances, which are reasonably likely to lead to a material default under the Real Property Leases. Seller has delivered to Buyer true and correct copies of the Real Property Leases together with all amendments thereto. Except as set forth on Schedule 2.11, Seller has not granted any right to any Person (other than Sellers) to lease, sublease, license or otherwise occupy any of the Real Property.

2.12 Environmental. Except as set forth on Schedule 2.12, no Hazardous Substance 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 2.12, and except where the same would not have, individually or in the aggregate, a Seller Material Adverse Effect: (a) Seller has complied with all Environmental Laws applicable to the Stations or its use of any of the Real Property, (b) there are no underground storage tanks used by Seller in the operations of either of the Stations, (c) to Sellers' knowledge, there are no underground storage tanks (including underground storage tanks no longer in use) located on the Real Property, (d) Sellers have all material permits required to be held by it by Environmental Laws for their operation of the Stations and (e) there are no PCBs in any of the Tangible Personal Property. Seller has provided to Buyer true and complete copies of the environmental assessments or reports listed on Schedule 2.12, which, to Sellers' knowledge, are all such assessments or reports. "*Environmental Laws*" are those environmental or pollution laws and regulations applicable to Seller's activities at the Real Property. The term "*Hazardous Substance*" means oil and other petroleum products, explosives, radioactive materials, chemicals, pollutants, contaminants, wastes, toxic substances, genetically modified organisms, and related and similar materials, and any other substance or material defined as a hazardous, toxic or polluting substance or material by any Environmental Laws, including asbestos and asbestos-containing materials. Except as set forth in Schedule 2.12, as of the date of this Agreement, Seller has not (i) given any written report or notice to any governmental agency or authority involving the use, management, handling, transport, treatment, generation, storage, spill, escape, seepage, leakage, spillage, emission, release, discharge, remediation or clean-up of any Hazardous Substance on or about any of the Real Property caused by Seller or any Affiliate thereof; (ii) received any Environmental Complaint. "*Environmental Complaint*" means any written complaint, order or citation, whether from a Governmental Authority, citizens group or otherwise with regard to Environmental Laws affecting any Seller's use of the Real Property or operation of the Stations.

2.13 Compliance with Laws. Except as set forth on Schedule 2.13, Seller is in compliance in all material respects with all Laws that are applicable to Seller's operation of the Station, the Real Property or the Station Assets.

2.14 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 in all material Taxes which have become due pursuant to such Tax Returns or pursuant to any assessments which have become payable.

2.15 Records. The FCC logs of the Stations maintained by Seller are complete and correct in all material respects, and there have been no transactions of the Stations which properly should have been set forth therein and which have not been accurately so set forth.

2.16 Bankruptcy. No insolvency proceedings in the nature of bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, by or against Sellers or the Station Assets, are pending or threatened, and Sellers have not made any assignment for the benefit of creditors or taken any action in contemplation or in furtherance of the institution of such insolvency proceedings.

2.17 No Finder. Other than Bergner & Co. (“*Sellers’ Broker*”), whose fees will be paid by Seller, no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Seller Ancillary Agreements or the transactions contemplated hereby or thereby as a result of any agreements or action of Seller or any party acting on Seller’s behalf.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as follows:

3.1 Existence. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation. Buyer is duly qualified to do business as a foreign corporation in each other jurisdiction where such qualification is necessary, except where failure to be so qualified would not have a Buyer Material Adverse Effect.

3.2 Authorization and Power.

(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 (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 the corporate powers of Buyer 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 Sellers) 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 the FCC.

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 certificate of incorporation or by-laws 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.

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. (a) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under any of the Communications Laws; (b) there are no facts particular to Buyer that would reasonably be expected to prevent or delay the FCC from granting the FCC Consent or to disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the other Station Assets, under any Law, including any of the Communications Laws; and (c) no waiver of any FCC rule, regulation or policy relating to the qualifications of Buyer is necessary for the FCC Consent to be obtained.

3.7 Financing. By the time of the Closing, Buyer shall have sufficient cash, available lines of credit and other sources of immediately available funds to enable it to make payment of the Purchase Price and perform all of its obligations under this Agreement and any of the Buyer Ancillary Agreements.

3.8 No Finder. No broker, finder or other person (other than Sellers' Broker, whose fees Seller is paying as provided in Section 2.17) is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement, the Buyer Ancillary Agreements or the transactions contemplated hereby or thereby as a result of any agreements or action of Buyer or any party acting on behalf of Buyer or any of its Affiliates.

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 ten (10) days

after mutual execution and delivery of this Agreement, Buyer and License Co. shall file the FCC Application. License Co. 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 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. Seller shall bear any fees it incurs in the publication of the requisite local public notice regarding the FCC Application under Section 73.3580(d)(3) of the FCC's rules.

(c) Efforts. Buyer and Seller, each at its own respective expense, shall use its respective commercially reasonable efforts to oppose any efforts or any requests by any person or entity for reconsideration or judicial review of the grant by the FCC of the Initial Order.

4.2 Absence of FCC Consent. This Agreement, prior to Closing, may be terminated by Seller, on the one hand, or Buyer, on the other hand, upon written notice to the other, if an Initial Order as to the FCC Application has not been obtained within nine (9) months after the date hereof; *provided, however,* that neither Seller nor Buyer, as the case may be, may terminate this Agreement if Seller, or Buyer, as the case may be, is in material default or breach under this Agreement, or if a delay in any decision or determination by the FCC respecting the FCC Application has been caused or materially contributed to (i) by any failure of Seller, or Buyer, as the case may be, to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by Seller, or Buyer, as the case may be, of incorrect, inaccurate or incomplete information to the FCC; or (iii) by any other action taken by Seller, or Buyer, as the case may be, for the purpose of delaying the FCC's decision or determination respecting the FCC Application.

4.3 Conduct of Business.

(a) Prior to Closing. Between the date of this Agreement and the Closing Date, except with the prior consent of Buyer, which consent shall not be unreasonably withheld or delayed and which shall be deemed given if Buyer does not respond within five (5) Business Days of Seller's written request, Seller shall use commercially reasonable efforts to:

- (i) maintain the FCC Licenses in full force and effect;
- (ii) operate the Stations in all material respects in accordance with the FCC Licenses and the Communications Laws;
- (iii) not modify any of the FCC Licenses;
- (iv) not sell, lease or dispose of or agree to sell, lease or dispose of the Station Assets, except (A) the ordinary course consumption of supplies or other items or the

ordinary course disposition of items that either are inoperable, obsolete or unnecessary for the continued operation of the Stations as currently operated or are replaced by assets of substantially comparable or superior utility, or (B) pursuant to existing contracts or commitments, if any, or as permitted by clause (v) below, or agree to do any of the foregoing;

(v) except for time or advertising sales agreements, and purchase or service orders, neither amend, terminate, or waive any material rights under, any of the Assumed Contracts, nor enter into any new Assumed Contract, or agree to do any of the foregoing, other than as a replacement for a terminating or expiring Assumed Contract (and such replacement shall be deemed an Assumed Contract);

(vi) not create nor suffer any Lien upon the Station Assets other than a Permitted Lien or Liens which will be satisfied at or prior to Closing by Seller; or

(vii) maintain the Stations current musical format, referred to as (AAA) Album Adult Alternative format. The Stations shall continue to be branded in its current format for as “The X – It’s All About the Music.”

(b) Control of Stations. Subject to the provisions of this Section 4.3 , Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Stations prior to the Closing.

4.4 Access to Information; Inspections; Confidentiality; Publicity.

(a) Between the date hereof and the Closing Date, Seller shall furnish Buyer with such information in its records in respect of the Station Assets as Buyer may reasonably request at Buyer’s expense and provided Seller need only provide Buyer with access to such records upon reasonable notice during Sellers’ normal business hours.

(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 locations during regular business hours.

(c) Nothing contained herein should be deemed to negate or limit the Seller’s or any of its Affiliates’ rights or any obligations of the Buyer under that certain letter agreement between Buyer and WBG (collectively, the “*Confidentiality Agreement*”), which is incorporated herein by reference.

(d) 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), except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other (to the extent permitted by Law), and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that this Agreement and the terms hereof will be filed with the FCC Application and thereby become public.

4.5 Risk.

(a) Seller shall, to the extent herein provided, bear the risk of any casualty loss or similar damage to any of the tangible Station Assets before Closing, and Buyer shall bear such risk on and after the Closing. In the event of any casualty loss or similar damage to the tangible Station Assets before the Closing, Seller shall be entitled to repair or replace (as it reasonably deems appropriate under the circumstances) any Station Asset lost or damaged before the Closing (the “*Damaged Asset*”). If Seller does not repair or replace a Damaged Asset (other than a Damaged Asset that was obsolete and unnecessary for the continued operation of the Stations in the manner consistent with past operations) by the date on which the Closing would otherwise occur under this Agreement, then the proceeds in respect of such loss or damage under 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 in the aggregate amount not to exceed one hundred fifty thousand dollars (\$150,000); *provided, however*, that to the extent that Buyer’s \$150,000 reimbursement (together with the insurance proceeds covering such Damaged Asset) will not cover the reasonable out-of-pocket costs reasonably expected to be incurred by Buyer in repairing or replacing the Damaged Asset, then Buyer may, as its sole right and remedy with respect to such damage and destruction, delay Closing until the earlier of five (5) Business Days after the repair or replacement of such Damaged Asset and the Upset Date, whereupon this Agreement may be terminated by either party without further liability or obligation to each other.

(b) If either Station goes off the air after the date hereof and before the Closing, then Seller shall use commercially reasonable efforts to return such Station to the air as promptly as practicable in the ordinary course of business. If either Station is off the air or operating with a material reduction in coverage and if Seller is unable to return the Station to the air without any material reduction in coverage within 30 days of the outage or material reduction in coverage, Buyer shall have the right to terminate this Agreement upon written notice to Seller, provided that Buyer delivers such notice to terminate to Seller while such outage or material reduction in coverage continues in effect, and provided further such outage was not caused by Buyer’s breach of this Agreement.

4.6 Consents to Assignment. After the execution of this Agreement and prior to Closing, Seller shall use its commercially reasonable efforts to obtain all material third-party consents necessary for the assignment of Assumed Contracts, including any Real Property Lease, to Buyer and for the release of Sellers from any continuing liability in respect thereof, and Seller shall use its commercially reasonable efforts to obtain customary estoppel certificates (in a form reasonably acceptable to Buyer) from the lessors under the Real Property Leases. Notwithstanding anything in this Agreement to the contrary, neither this Agreement nor any agreement or instrument executed pursuant hereto shall constitute an agreement to assign any Assumed Contract or any claim or right or any benefit arising thereunder or resulting therefrom if such agreement or assignment, without the consent of a third party thereto, would constitute a breach or other contravention of such Assumed Contract or in any way adversely affect the rights of Buyer or Seller thereunder; *provided, however*, that this Section 4.6 will not affect either party’s condition to close hereunder. If such consent is not obtained prior to the Closing Date,

(a) Sellers shall use their commercially reasonable efforts to (i) obtain such consent as soon as practicable after the Closing Date, (ii) provide to Buyer the financial and business benefits of any such Assumed Contract and (iii) enforce, at the request of Buyer but at the sole cost and expense of Buyer, for the account of Buyer, any material rights of Seller arising from any such Assumed Contract; and (b) provided Seller has provided Buyer with the financial and business benefits thereof, Buyer shall perform the obligations under such Assumed Contract in accordance with its terms as if the same had been assumed pursuant to this Agreement.

4.7 Notification. Each of Seller and Buyer 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.

4.8 Employee Matters. Buyer shall have no obligation to offer employment to any employee of Seller's or the Stations, and shall have no liability with respect to any such employee which neither Buyer nor any affiliate thereof hires.

4.9 Further Assurances. After Closing, each of Seller and Buyer shall execute all such instruments and take all such actions as the other of them 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.

4.10 No Shop. From the date hereof until the termination of this Agreement, Seller and its Affiliates will not, directly or indirectly, encourage, solicit, or engage in discussions or negotiations with, or provide any information to, any Person (other than Buyer and its representatives) concerning any sale or disposition of any FCC Licenses, the Stations or the Station Assets, provided that this Section 4.10 shall not apply to any discussions or negotiations involving the securities of any direct or indirect parent company of Seller.

4.11 Release of Liens. At the Closing, Seller shall cause all Liens in the nature of security interests, other than Permitted Liens, on any of the Station Assets, to be released and shall deliver to Buyer instruments releasing or discharging all such Liens.

4.12 FCC Qualification. From the date hereof until the termination of this Agreement, neither Buyer nor any Person with an attributable interest in Buyer, shall file any application to acquire any station or otherwise operate any station or take any action if, as a result, such action would cause Buyer, or any Person with an attributable interest in Buyer, to have an attributable interest in, or seek to acquire an attributable interest in, any radio stations or other media property which would involve a greater number of stations or other media properties (taken together with the Stations) in the Reno, Nevada market than would be permitted, absent an exemption or waiver, under the Communications Law, including the FCC's multiple ownership rules, in effect from time to time, or which would raise market concentration questions under applicable Law.

4.13 Station KFOY Disposition. From the date hereof until the termination of this Agreement, Buyer shall use its commercially reasonable efforts to prosecute and to consummate the Station KFOY Disposition.

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, disregarding all qualifiers and exceptions as to materiality (i) in all material respects as of the date of this Agreement and (ii) in all material respects as of the Closing Date as though made on and as of the Closing Date (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 as of such earlier date), except (A) for changes contemplated by this Agreement or not otherwise prohibited under Section 4.3 (Conduct of Business Prior to Closing), (B) for those matters covered by Section 4.5 (Risk of Loss), and/or (C) to the extent the failure of any representation or warranty of Seller to be true and correct at and as of the Closing has not resulted in and would not reasonably be expected to result in, individually or in the aggregate, a Seller Material Adverse Effect. Sellers shall have performed in all material respects the obligations required to be performed by them under this Agreement on or prior to the Closing Date, and the Stations' musical programming format will be of the same character and type as that being broadcast on the date hereof. Buyer shall have received a certificate dated as of the Closing Date from Seller, executed on its behalf 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 become Final.

(c) Adverse Proceedings. No Governmental Order 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 each of Seller and License Co., of the resolutions duly and validly adopted by the members of each of Seller and License Co., evidencing its authorization of the execution and delivery of this Agreement and consummation of the transactions contemplated hereby.

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

(f) No Liens. There shall not be any Liens on the Station Assets (other than the Assumed Liabilities, Permitted Liens and Liens created by Buyer) or any financing statements of record with respect to Sellers or the Station Assets, except those to be released upon the Closing and the Assumed Obligations.

(g) Required Consents. The Required Consents shall have been obtained.

5.2 To Seller's Obligations. The obligations of Sellers hereunder are, at their 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, disregarding all qualifiers and exceptions as to materiality (i) in all material respects as of the date of this Agreement and (ii) in all material respects as of the Closing Date as though made on and as of the Closing Date (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 as of such earlier date), except (A) for changes contemplated by this Agreement and/or (B) to the extent the failure of any representation or warranty of Buyer to be true and correct at and as of the Closing has not resulted in and would not reasonably be expected to result in, individually or in the aggregate, a Buyer Material Adverse Effect. Buyer shall have performed in all material respects 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 on its behalf 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 that is not normal and customary and is materially adverse to Seller or any of Seller's Affiliates.

(c) Adverse Proceedings. No Governmental Order 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) Group Contracts. Seller shall have received partial assignments, amendments or other documentation as Seller shall reasonably require regarding the disposition of Group Contracts as contemplated by Section 1.7.

(e) 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.

(f) 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 the Purchase Price as provided in Section 6.3(c).

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 Sellers shall execute and deliver to the other as applicable:

(a) a duly executed Assignment and Assumption Agreement, substantially in the form attached as Exhibit A;

(b) Joint Instructions to Escrow Agent providing for the release of the Escrow Deposit to Seller; and

(c) a duly executed Assignment and Assumption Agreement for each of the Real Property Leases, substantially in the form attached as Exhibit B.

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 attached as Exhibit C;

(d) a duly executed Assignment for the FCC Licenses, substantially in the form attached as Exhibit D; and

(e) a duly executed Assignment, substantially in the form of Exhibit E, for the domain names identified on Schedule 1.1(d); and

(f) any consents and estoppel certificates, in each case, to the extent obtained by Seller.

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

(a) the certificate described in Section 5.2(a);

(b) the documents described in Section 5.2(e); and

(c) the Purchase Price by wire transfer of immediately available funds to such accounts as Seller shall specify for such payment.

ARTICLE VII SURVIVAL; INDEMNIFICATION

7.1 Survival. The representations and warranties in or pursuant to this Agreement shall survive the Closing for a period of twenty-four (24) months from the Closing Date whereupon they shall expire and be of no further force or effect, except those under: (a) Section 2.1, Section 2.2, Section 2.7(a), Section 2.14, Section 2.17 and Section 3.8, which shall survive until the expiration of any applicable statute of limitations. Those covenants and agreements in or pursuant to this Agreement contemplate performance prior to the Closing shall survive the Closing for a period of twenty-four (24) months from the Closing Date, except to the extent covenants and agreements in or pursuant to this Agreement that contemplate performance after the Closing, in which case, such covenants and agreements shall survive the earlier of (i) three (3) years from the Closing Date or (ii) such other period as shall be indicated in the terms thereof; provided, however, that Seller's obligations with respect to Retained Liabilities and Buyer's obligations with respect to Assumed Obligations shall survive until performed. No claim may be brought under or in respect of this Agreement or any of the transactions contemplated hereby unless written notice describing 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. Anything to the contrary in this Agreement notwithstanding, Seller shall be solely and exclusively responsible and liable for all obligations of License Co., and License Co. shall not have or incur any liability whatsoever, arising out of this Agreement or any of the transactions contemplated hereby.

7.2 Indemnification.

(a) Subject to Section 7.1 and the other provisions of this Article VII, after the Effective Time, Seller shall defend, indemnify and hold harmless Buyer, its Affiliates and their respective officers, directors and members (collectively, the "*Buyer Indemnified Parties*") from and against any and all losses, costs, damages, liabilities, expenses and obligations (including in respect of 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 or any Seller Ancillary Agreement; (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. Seller shall have no liability to Buyer under clause (i) of this Section 7.2(a) until, Buyer's aggregate Losses exceed \$50,000, but once such threshold is exceeded Seller shall be liable for all such Losses. Notwithstanding anything in this Agreement to the contrary, in no event shall Seller have any liabilities under, pursuant to or in respect of this Agreement or any of the Seller Ancillary Agreements or any of the transactions contemplated hereby or thereby for any reason whatsoever, in any single case or in the aggregate for all Losses under clause (i) of this Section 7.2(a) in excess of \$500,000.

(b) Subject to Section 7.1 and the other provisions of this Article VII, after the Closing, Buyer shall defend, indemnify and hold harmless Sellers, their respective Affiliates and their respective officers, directors and members (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 or any Buyer Ancillary Agreement; (ii) any breach or nonfulfillment of any agreement or covenant of Buyer under the terms of this Agreement or any Buyer Ancillary Agreement; (iii) the Assumed Obligations; and (iv) except for Retained Liabilities, the operation of the Station after the Closing. Buyer shall have no liability to Seller under clause (i) of this Section 7.2(b) until, Seller's aggregate Losses exceed \$50,000, but once such threshold is exceeded Buyer shall be liable for all such Losses. Notwithstanding anything in this Agreement to the contrary, in no event shall Buyer have any liabilities under, pursuant to or in respect of this Agreement or any of the Buyer Ancillary Agreements or any of the transactions contemplated hereby or thereby for any reason whatsoever, in any single case or in the aggregate for all Losses under clause (i) of this Section 7.2(b) in excess of \$500,000.

7.3 Procedures.

(a) In the event any Claim is brought or asserted by a third party against a person or entity entitled to indemnification under this Agreement (the "*indemnified party*"), with respect to which an indemnifying party (the "*indemnifying party*") has liability under the indemnity provisions contained in this Agreement (a "*Claim*"), the indemnifying party shall be liable therefor if the indemnified party complies with the following provisions, it being understood that the indemnifying party and the indemnified party shall have the following rights and obligations in any such event.

(i) The indemnified party shall promptly notify the indemnifying party of such Claim, but in any event within 30 days, after acquiring knowledge thereof and shall furnish the indemnifying party with information and all documents relating thereto (including copies of any summons, complaint or other written communications) within 30 days after the indemnified party's receipt thereof (or such earlier practicable date as shall be appropriate to enable the indemnifying party to timely respond thereto and defend the same); provided that 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.

(ii) The indemnified party shall cause such notice to specify in reasonable detail each individual item of Losses, the factual and legal basis for any anticipated liability and the nature of the misrepresentation, breach of warranty, breach of covenant or agreement or other claim to which each such item is related and the computation of the amount to which the indemnified party claims to be entitled hereunder.

(iii) The indemnifying party shall be entitled to defend the Claim with counsel selected by it and reasonably acceptable to the indemnified party.

(iv) The indemnified party shall have the right to employ its own counsel to participate in, but not control, any such case, but the fees and expenses of such counsel shall be at the indemnified party's sole cost and expense and shall not constitute Losses covered by this Agreement.

(v) The indemnified party shall be kept reasonably informed of such Claim whether or not it is so represented.

(vi) The indemnified party shall make available to the indemnifying party and its attorneys and accountants all books and records of the indemnified party relating to such Claim and shall render such assistance (including making available management and other employees) as is reasonably requested to ensure the proper and adequate defense of any Claim, with any out-of-pocket costs incurred being paid by the requesting party, so long as no such request unreasonably and materially interferes with a party's business.

(vii) If indemnifying party shall be actively defending any Claim, the indemnified party shall not file any papers, consent to the entry of any judgment or make any settlement in respect of such Claim without the prior written consent of the indemnifying party and shall accept any settlement thereof recommended by the indemnifying party so long as the amount thereof is paid or provided for in full by the indemnifying party and the indemnified party is provided with a release from all liability in respect of such Claim.

(b) The indemnified party shall notify the indemnifying party in writing promptly of its discovery of any Claim of such indemnifying party under this Agreement not covered by Section 7.3(a) hereof, and shall cause such notice to specify in reasonable detail each individual item of Losses suffered or incurred, the basis for any anticipated liability and the nature of the misrepresentation, breach of warranty, breach of covenant or agreement or other Claim to which each such item is related and the computation of the amount to which the indemnified party claims to be entitled hereunder. The indemnified party shall reasonably cooperate and assist the indemnifying party in determining the validity of any Claim. Such assistance and cooperation will include providing reasonable access to and copies of information, records and documents relating to such matters and furnishing employees to assist in the investigation and resolution of such matters with any out-of-pocket costs incurred being paid by the requesting party, so long as no such request unreasonably and materially interferes with a party's business.

7.4 Further Provisions. Notwithstanding anything to the contrary contained in this Agreement:

(a) In the event that a misrepresentation or breach of any representation, warranty, agreement or covenant is discovered by any Buyer Indemnified Party after the Closing, or in the event of any other Claim after the Closing relating to or arising under this Agreement or any of the Seller Ancillary Agreements or any of the transactions contemplated by this Agreement or any of the Seller Ancillary Agreements, the sole and exclusive rights and remedies of Buyer or any of the other Buyer Indemnified Parties shall be as set forth in, and only to the extent expressly provided for in, this Agreement, and neither Buyer nor any other Buyer Indemnified Party shall be entitled to a rescission of this Agreement or of any of the transactions contemplated hereby.

(b) In the event that any misrepresentation or breach of any representation, warranty, agreement or covenant is known to or discovered by Buyer or any other Buyer Indemnitees or any of their respective representatives (x) prior to the execution and delivery

hereof and the Closing does not occur, or (y) prior to the Closing and the Closing does occur, then in either such case Buyer shall be deemed to have waived such misrepresentation or breach and shall have no right to make any claim whatsoever by reason of such misrepresentation or breach.

(c) If (i) a Claim covered thereby does not seek only monetary damages, but seeks injunctive relief against any indemnified party which is reasonably expected to have a material adverse effect thereon, or (ii) the indemnifying party elects not to compromise, and also elects not to defend, such Claim, then the indemnified party may pay, compromise or defend such Claim on such reasonable and prudent terms and with such counsel as the indemnified party reasonably deems appropriate; provided that no indemnifying party shall have any liability with respect to any compromise or settlement of any Claim entered into without its prior written consent (which consent shall not be unreasonably withheld). Without limiting the rights of any indemnifying party, the indemnified party will use commercially reasonable efforts to minimize any Losses resulting from or in respect of any Claim and will act reasonably and prudently in responding to, defending against, settling or otherwise dealing with any Claim.

(d) The effect of any misrepresentation or breach of any representation, warranty, covenant or agreement of, or any Claim against, any of Sellers or Buyer under or in respect of this Agreement or any of the Seller Ancillary Documents or Buyer Ancillary Documents, or any of the transactions contemplated hereby or thereby, and any Losses resulting from any of the foregoing, shall be determined based solely on and limited to actual damages (1)

(e) Any entitlement of any Buyer Indemnified Party to make a Claim under this Agreement shall be determined without duplication of recovery by reason of the state of facts giving rise to such Claim constituting a breach of more than one representation, warranty, covenant or agreement.

(f) No party makes any representation or warranty to the others except as expressly set forth in Article II or Article III of this Agreement. Any and all warranties, express or implied, including any and all implied warranties as to merchantability, infringement or fitness for a particular purpose, are hereby disclaimed, except for the express representations set forth in ARTICLE II hereof, and Buyer acknowledges that it has not relied upon or been induced to enter into this Agreement or to consummate the transactions contemplated hereby by any representation, warranty or statement other than the express representations set forth in said Article II.

(g) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR ANY OF THE SELLER ANCILLARY AGREEMENTS OR THE BUYER ANCILLARY AGREEMENTS TO THE CONTRARY, NO PARTY SHALL BE HELD LIABLE IN RESPECT OF THIS AGREEMENT, ANY OF THE SELLER ANCILLARY AGREEMENTS OR ANY OF THE BUYER ANCILLARY AGREEMENTS FOR INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR FOR DAMAGES FOR LOST PROFITS, LOST OPPORTUNITY COSTS, BUSINESS INTERRUPTION OR LOSS OF BUSINESS REPUTATION, FOR DIMINUTION IN VALUE OR BASED ON ANY TYPE OF MULTIPLE, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(h) Without limiting any of the other conditions and limitations set forth in this Article VII, in no event shall any party hereto have any liability or obligation for Losses resulting from or arising out of Retained Liabilities or Assumed Liabilities other than actual liabilities, costs and expenses (including reasonable attorneys' fees and expenses) suffered by any Buyer Indemnified Party in the case of Retained Liabilities, or suffered by any Seller Indemnified Party in the case of Assumed Liabilities, as the case may be.

(i) If the Closing shall occur (and not intending to limit Buyer's right under Section 8.3 to effect the Closing), the sole liability and obligations of Seller and the sole right, remedy and entitlement of Buyer Indemnified Parties or any of them for any claim with respect to or in connection with this Agreement or any of the Seller Ancillary Agreement Documents or any of the transactions contemplated by this Agreement or any of the Seller Ancillary Agreements (including without limitation relating to any Environmental Law(s) or Environmental Condition(s)) shall be limited to indemnification by Seller under this Agreement, and each of the Buyer Indemnified Parties hereby waives, on behalf of itself and each of the other Buyer Indemnified Parties, any and all statutory and common law rights and remedies (including, without limitation, of indemnification and contribution and/or under any Environmental Laws) which any of them has or may hereafter have.

(j) Upon making an indemnity payment pursuant to this Agreement, the indemnifying party will, to the extent of such payment, be subrogated to all rights of the indemnified party against any third party in respect of the Losses to which the payment related unless such subrogation would materially and adversely affect the ongoing business relationship of the indemnified party or any Affiliate thereof with such third party. Without limiting the generality of any other provision hereof, the indemnified party and indemnifying party will duly execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights.

ARTICLE VIII TERMINATION RIGHTS

8.1 Termination.

(a) This Agreement may be terminated prior to the 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 material default of or under this Agreement or does not perform in all material respects the obligations to be performed by it under this Agreement and such breach or default is not cured within 20-day cure period provided in clause (c) below;

(ii) if the FCC denies the FCC Application (other than by reason of the failure of the Station KFOY Disposition to occur);

(iii) if the Closing has not occurred by the nine (9) month anniversary of the date hereof (the "Upset Date"); or

(iv) as provided by Section 4.2 (Absence of FCC Consent) or Section 4.5 (Risk of Loss).

(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 material breach or material 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 20 days from receipt of such notice to cure such default; *provided, however*, that, (i) 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; and (ii) no party shall be deemed to be in material breach or material default for purpose of this Article VIII if such breach or default does not entitle the other party hereto to elect not to effect the Closing by reason of the failure of the condition set forth in Section 5.1(a) or Section 5.2(a) hereof, as applicable. Nothing in this Section 8.1(c) or elsewhere in this Agreement shall be interpreted to extend the Upset Date, time being of the essence with respect thereto.

(d) If this Agreement is terminated by either Buyer or Seller for any reason other than Buyer's breach or because the FCC has failed to grant the FCC Application because of Buyer's failure to consummate the KFOY Disposition, then the Escrow Deposit shall be returned to Buyer by Seller, and Buyer shall have no liability under this Agreement, except as provided in Section 8.1(d) below.

(e) If this Agreement is terminated by either Buyer or Seller as a result of Buyer's breach or the FCC's failure to grant the FCC Application because of Buyer's failure to consummate the KFOY Disposition, then Seller shall be entitled to retain the Escrow Deposit, which funds will constitute liquidated damages and be the sole remedy of Seller for Buyer's breach of this Agreement. The parties acknowledge and agree that payment of such amount will constitute payment of liquidated damages and is not a penalty and that the liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

8.2 Effect of Termination. In the event of a valid termination of this Agreement pursuant to Section 8.1, this Agreement (other than Sections 4.4(c) and 4.4(d), 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 material breach of this Agreement prior to termination.

8.3 Specific Performance. The parties acknowledge that the Station are unique properties as to which an adequate remedy at law may not exist for a breach of this Agreement. Therefore, in the event of a failure or threatened failure by Seller in breach of this Agreement to effect the Closing hereunder, Buyer shall be entitled, in lieu of terminating this Agreement pursuant to Section 8.1, to a decree of specific performance requiring the parties to comply with their respective obligations under this Agreement to effect the Closing hereunder, subject to obtaining any necessary FCC consent.

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. Transfer Taxes arising out of the transactions effected pursuant to this Agreement shall be shared equally by Buyer and Seller. In the event that Seller has primary responsibility under applicable Law for the payment of any particular Transfer Tax, Seller shall prepare and file the relevant Tax Return and notify Buyer in writing of the Transfer Taxes shown on such Tax Return. Buyer shall pay to Seller an amount equal to 50% of such Transfer Taxes shown on such Tax Return in immediately available funds no later than the date that is the later of (a) five Business Days after the date of such notice or (b) two Business Days prior to the due date for such Transfer Taxes.

ARTICLE X OTHER PROVISIONS

10.1 Expenses. Except as otherwise expressly 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. 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; provided any party hereto may collaterally assign this Agreement to its institutional creditors from time to time or may assign this Agreement upon the exercise by any of such institutional creditor of remedies in respect of such collateral assignment, in each case, without any other party's consent.

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 any of Sellers and Buyer with respect to the subject matter hereof and thereof, except as otherwise expressly provided herein. 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 either of Sellers 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 Delaware, without regard to its principles of conflict of law. 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 this Agreement, including in particular the jury-trial waiver.

10.8 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions 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:

Wilks Broadcast-Reno LLC
c/o Wilks Broadcast Group, LLC
6470 E Johns Crossing
Suite 450
Duluth, GA 30097
Attention: Mr. Jeffrey Wilks

With copies, which shall not constitute notice, to:

The Wicks Group of Companies III, L.L.C.
400 Park Avenue
Suite 1210
New York, NY 10022
Attention: Mr. Craig B. Klosk

and

Golenbock Eiseman Assor Bell & Peskoe LLP
437 Madison Avenue
New York, NY 10022
Attention: Nathan E. Assor
Facsimile: (212) 754-0330

If to Buyer:

Lotus Radio Corp.
3301 Barham Blvd
Suite 200
Los Angeles, CA 90068
Attention: Howard Kalmenson

With copies, which shall not constitute notice, to:

Ackerman Levine et al.
1010 Northern Boulevard
Great Neck, New York 11021
Attention: Eileen Breslin

Any such notice, demand or request shall be delivered by reputable overnight courier, such as Federal Express, postage prepaid, signature required, and will be deemed to have been duly delivered and upon actual delivery, or, if delivery is refused by the intended recipient, upon first attempted delivery.

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 and any of the Buyer Ancillary Agreements, any of the Seller Ancillary Agreements, or any other document or instrument delivered pursuant to this Agreement, may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement or instrument as the case may be. Each party hereto respectively agrees that faxed or electronically transmitted copies of the signature pages of this Agreement or any of the Buyer Ancillary Agreements, any of the Seller Ancillary Agreements, or any other document or instrument delivered pursuant to this Agreement or relating to the transactions contemplated hereby, whether sent to any other party hereto or to such other party's respective counsel, shall be deemed definitively executed and delivered, and with the same force and effect as if manually signed and delivered, for all purposes whatsoever.

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).

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

“*Affiliate*” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with such Person.

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

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

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

“*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.

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

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

“*Code*” means the Internal Revenue Code of 1986, as amended.

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

“*Confidentiality Agreement*” shall have the meaning set forth in Section 4.4(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 4.5(a).

“*Disclosure Schedule*” means the Disclosure Schedule, dated as of the date hereof, delivered by Seller to Buyer in connection with this Agreement, and reference in this Agreement to a particular “Schedule” means the particular Schedule of the Disclosure Schedule.

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

“*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, or by its Media Bureau acting pursuant to delegated authority, 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 any reconsideration, stay or setting aside by the FCC on its own motion or initiative, has expired.

“*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.

“*Group Contracts*” means contracts that contemplate the provision of the products and services to or by another station or business of Seller or any of its Affiliates other than solely with respect to the Stations.

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

“*KFOY Agreement*” means the asset purchase agreement between the Buyer and the purchaser of Station KFOY, and certain related assets.

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

“*License Co.*” shall have the meaning set forth in the Preamble to this Agreement.

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

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

“*Permitted Liens*” means, as to any property or asset or as to the Stations, (a) Liens for Taxes, assessments and other charges of or by any Governmental Authority not yet due and payable or being contested in good faith; (b) zoning laws and ordinances and other Laws that do not prohibit the use of the Real Property in the operation of the applicable Stations; (c) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in the permits); (d) in the case of any leased or licensed asset, (1) the rights of any lessor or licensor under the applicable lease or license agreement or any Lien in favor of any lessor or licensor, and (2) the rights of the grantor of any easement or any Lien granted by such grantor with respect to such easement property; (e) easements, rights of way, restrictive covenants and other encumbrances, encroachments or other matters affecting title that do not materially adversely affect title to the property subject thereto or adversely impair the continued use of the property in the ordinary course of business; and (f) materialmen’s, lessor’s, mechanics’, workmen’s, repairmen’s or other like Liens arising in the ordinary course of business for amounts not yet due or being contested in good faith, provided that Sellers pay such amounts when due unless being contested in good faith, however any such amounts will remain Retained Liabilities.

“*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.

“*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).

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

“*Required Consents*” the third party consents necessary for the assignment of the Real Property Leases identified as items #1 and #2 on Schedule 1.1(f) hereof.

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

“*Seller*” and “*Sellers*” shall have the respective meanings 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 Sellers to perform their obligations under this Agreement and the Seller Ancillary Agreements or (b) the financial condition or results of operations of Sellers or the Stations taken as a whole; *provided, however*, that Seller Material Adverse Effect shall not include any material adverse effect attributable to (i) any change or development generally applicable to the radio broadcast industry (including legislative or regulatory matters), (ii) general economic conditions, (iii) terrorist activity or a natural disaster, including an earthquake, flood or hurricane, or (iv) any public filing or announcement with respect to this Agreement or transactions contemplated by this Agreement.

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

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

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

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

“*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.

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

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

“*To Seller’s knowledge*” or any variant thereof shall mean to the actual knowledge of Seller’s chief executive officer, Seller’s chief financial officer, or Seller’s General Manager.

“*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)(iii).

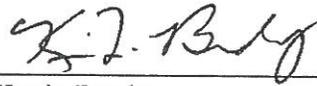
“*WBG*” means Wilks Broadcast Group LLC, a Delaware limited liability and sole member of Seller.

11.2 Terms Generally. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the words “include” or “including” in this Agreement shall be by way of example rather than by limitation. Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof. Unless otherwise indicated, reference in this Agreement to a “Section,” “Article” or “Exhibit” means a Section, Article or Exhibit as applicable, of this Agreement, and reference in this Agreement to a particular “Schedule” means the particular Schedule of the Disclosure Schedule. When used in this Agreement, words such as “herein,” “hereinafter,” “hereof,” “hereto,” and “hereunder” shall refer to this Agreement (including any Schedule or Exhibit incorporated by reference into this Agreement) as a whole, unless the context clearly requires otherwise. The use of the words “or,” “either” and “any” shall not be exclusive. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meaning as defined in this Agreement.

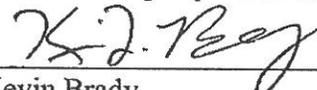
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

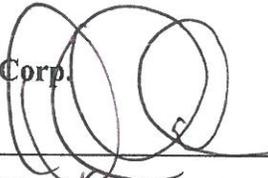
Wilks Broadcast-Reno LLC

By: 
Kevin Brady
Vice President

Wilks License Company-Reno LLC

By: 
Kevin Brady
Vice President

Lotus Radio Corp.

By: 
Name: James R. Hansen
Title: Sr VP