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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated December 16, 2011, by and between WOODWARD COMMUNICATIONS, INC., an Iowa corporation ("Buyer"), KXEL BROADCASTING COMPANY, INC., an Iowa corporation ("Owner"), and STAR CITY DEVELOPMENT COMPANY, INC., a Virginia corporation ("Star City" and together with Owner, "Seller"). Buyer and Seller are sometimes referred to herein as the "Parties" and each as a "Party."

RECITALS:

A. Seller owns and operates certain assets used in connection with the business and operations of radio stations KXEL(AM) (Facility ID No. 35950), KWLO(AM) (Facility ID No. 51662), KFMW(FM) (Facility ID No. 51664) and KOKZ(FM) (Facility ID No. 35949), Waterloo-Cedar Falls, Iowa (each a "Station" and collectively, the "Stations").

B. Seller desires to sell and convey, and Buyer wishes to purchase and acquire, substantially all of Owner's assets, and certain of Star City's assets, used in the operation of the Stations on the terms and conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

SECTION 1: DEFINITIONS

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, have the meanings set forth in this Section:

"Action" means, for any Person, any action, counterclaim, suit, litigation, arbitration, governmental investigation or other legal, administrative or Tax proceeding by or against such Person, excluding any litigation affecting the radio broadcasting industry generally in which such Person is not a named party, and any rule-making proceedings.

"Affiliate" of a Person means any other Person which, directly or indirectly, controls, is controlled by or is under common control with, such Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means 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.

“Assets” means all assets, properties and rights, both tangible and intangible, that are (i) owned or leased by Seller, and (ii) primarily used or held for use in the operation of the Stations, including the Real Property, Equipment, Licenses, Assumed Contracts, Intellectual Property, and Books and Records; *provided, however*, that the Assets shall not include the Excluded Assets.

“Assignment Application” means one or more applications prepared jointly by Owner and Buyer, and filed by Owner with the FCC for consent to the assignment of the FCC Licenses from Owner to Buyer in the manner contemplated by this Agreement.

“Assumed Contracts” means, as of Closing, all Contracts used or held for use primarily in the Business of the Stations, including the Contracts listed in Schedule 3.8, all Contracts for the sale of advertising time on any of the Stations that are in effect on the Closing Date and all Contracts entered into by Seller in conformance with this Agreement between the date of this Agreement and the Closing Date and that are in effect on the Closing Date, excluding any Contracts that are Excluded Assets or that terminate in accordance with their terms prior to Closing.

“Books and Records” means all of the books and records of Owner primarily related to the Business (other than any included in the Excluded Assets).

“Business” means the business and operations of Owner relating to the Stations.

“Business Day” means any day of the year, other than a Saturday or Sunday, on which banks are not required or authorized to be closed in the State of Iowa.

“Closing Date” means the actual date of Closing.

“Closing Place” means, if either Party shall deem an in-person Closing to be necessary, at the offices of Buyer in Dubuque, Iowa, or at such other location agreed upon by the Parties.

“Communications Laws” means the Communications Act of 1934, as amended, together with the rules and published policies of the FCC promulgated thereunder.

“Consents” means the consents, permits or approvals of Governmental Authorities and other third parties required by Seller to transfer the Assets to Buyer or otherwise for Seller to consummate the transactions contemplated hereby.

“Contracts” means the leases, contracts, commitments, understandings and agreements relating to the Stations and/or the Business to which Owner is a party, whether oral or written.

“Employees” means the persons employed at the Stations by Owner or any Affiliate thereof on a full or part-time basis primarily with respect to the Business as of the date hereof.

“Employee Plan” means (i) any “employee benefit plan” as defined in Section 3(3) of ERISA, and (ii) any other material plan, program, arrangement, agreement or policy, whether written or unwritten, which provides any compensation or other benefits, whether deferred or not, in excess of base salary or wages other than overtime pay, including, but not limited to, any bonus or incentive plan, equity-based compensation plan, deferred compensation arrangement, severance pay plan, paid leave policy, insurance plan or other material fringe benefit plan which, in the case of each of clauses (i) or (ii), is sponsored, maintained participated in or contributed to by Owner or an ERISA Affiliate, or under which Owner or an ERISA Affiliate has, or could have, any liability with respect to any current or former employee, officer, director or independent contractor of Seller or an ERISA Affiliate.

“Enforceability Exceptions” means the exceptions or limitations to the enforceability of contracts under bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally, and by the application of general principles of equity.

“Environmental Laws” means the Legal Requirements relating to health, safety or the environment, including the Handling of Hazardous Substances or the presence of Hazardous Substances on any Real Property.

“Equipment” means the radio studio and transmitter site equipment, furniture, fixtures, machinery, computer hardware, and other personal property primarily used or held for use by Owner in the operation of the Stations or conduct of the Business.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any Person that is or has at any relevant time been treated as a single employer with the Owner under Sections 414(b), (c), (m) or (o) of the Code, or any Person that is or has at any relevant time been “under common control” with the Owner within the meaning of Section 4001(b) of ERISA.

“Escrow Agent” means the Escrow Agent named in the Escrow Agreement, and any successors thereto pursuant to the terms of the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement by and among Buyer, Owner and the Escrow Agent, dated as of the date hereof.

“Escrow Amount” means the sum of the Escrow Deposit, plus all interest or earnings accrued thereon.

“Escrow Deposit” means the sum of One Hundred Seventy-Five Thousand Dollars (\$175,000) which has been deposited by Buyer with the Escrow Agent in immediately available funds on the date of the Escrow Agreement to secure the obligations of Buyer to close under this Agreement, with such deposit being held by the Escrow Agent in accordance with the Escrow Agreement.

“Excluded Assets” means (i) all cash and cash equivalents of Seller, (ii) all marketable securities, (iii) all bank deposits, checking, savings and other bank accounts, (iv) all Receivables, any receivables or other loans or advances to employees or Affiliates of Seller, and any other “current assets” (as defined under GAAP), except for any arising in the ordinary course of business with respect to which Seller receives the benefit of an adjustment to the Purchase Price, (v) all security deposits and other prepaid expenses, (vi) all bonds, letters of credit, surety instruments and other similar items, (vii) any Employee Plans (and any assets related thereto), (viii) all insurance policies contracts and any claims or refunds related thereto, (ix) Seller’s governing instruments or other corporate, partnership and tax records and the account books of original entry, general ledger and financial records used in connection with the Stations, (x) any and all assets owned or leased by Star City other than those that are designated on Schedule 1.1C, (xi) Owner’s rights, title and interest in and to the capital stock of Colorado Springs Radio Broadcasters, Inc. and any assets related to the operation of such entity, (xii) personal service contracts, proprietary rights agreements, and non-disclosure, confidentiality or similar restrictive covenants or agreements that are not related primarily to the Business, the Stations or the Assets, and (xiii) any such additional assets that are listed in Schedule 1.1A hereto.

“FCC” means the Federal Communications Commission or any successor agency.

“FCC Consent” means one or more actions by the FCC (including any action duly taken by the FCC’s staff pursuant to delegated authority) granting its consent to the assignment of the FCC Licenses from Owner to Buyer as contemplated by this Agreement.

“FCC Licenses” means the licenses, permits or other authorizations, issued or granted by the FCC to Owner relating to the operation of the Stations, including those forth on Schedule 3.7.

“Fee Estates” means the fee estates owned by Star City set forth on Schedule 3.5 and used in the operation of the Stations and included in the Real Property.

“Final Order” means the FCC Consent that has not been vacated, reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which no requests are pending for administrative or judicial review, reconsideration, appeal, or stay, and the time for filing any such request and the time for the FCC to set aside the action on its own motion have expired.

“GAAP” means United States generally accepted accounting principles as currently in effect.

“Governmental Authority” means any court or any federal, state, county, local or foreign governmental, legislative or regulatory body, agency, department, authority, instrumentality or other subdivision thereof, including the FCC.

“Handling” means the production, use, generation, storage, treatment, recycling, disposal, discharge, release, exposure of persons to, or other handling or disposition of any kind of any Hazardous Substances.

“Hazardous Substance” means any pollutant, contaminant, hazardous or toxic substance, material, constituent or waste, including asbestos, PCBs, pesticides and petroleum products.

“Historical Financials” means, with respect to the Stations and the Business, the unaudited schedules of assets and liabilities, and statements of operating income of the Stations and the Business as of and for the fiscal years ended December 31, 2008 through December 31, 2010, and as of and for the ten-month period ended October 31, 2011. Each such schedule of assets and liabilities includes amounts of Receivables, prepaid expenses, property plant and equipment net of accumulated depreciation, accounts payable and accrued liabilities as of the specified date of such schedule.

“Intellectual Property” means any (i) patents, patent disclosures and related improvements, (ii) trademarks, service marks, trade dress, logos, trade names, jingles, slogans, corporate names and telephone numbers containing or reflecting any of the foregoing, along with any associated goodwill, (iii) copyrights, copyrightable works and works of authorship (including advertisements, commercials and promotional materials), (iv) trade secrets (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, research and development information, software, drawings, specifications, designs, processes, techniques, databases, and past and present customer, advertiser, website visitor, and supplier lists and information), and (v) URLs, IP addresses, domain names and Internet web sites, including all content and materials displayed on and/or accessible through such sites, applied for, issued to, or owned by Owner or under which Owner is licensed or franchised, and which are primarily used or useful in the business and operations of the Stations, together with any additions thereto between the date hereof and the Closing Date, but excluding any of the foregoing that are included in the Excluded Assets.

“Judgment” means any judgment, writ, order, injunction, determination, award or decree of or by any court, judge, justice or magistrate, including any bankruptcy court or judge, and any order of or by a Governmental Authority.

“Knowledge” or “to the Knowledge of” (or similar phrases) means, with respect to Seller, the actual knowledge of Jim Babb, Louis Spitzer, Tim Mathews and/or Mark Schumacher at the time in question.

“Legal Requirement” means any federal, state, county, local or foreign statute, ordinance, code, law (including common law), rule or regulation.

“Liabilities” means claims, obligations, commitments or liabilities of a Person of any nature, absolute, accrued, contingent or otherwise, known or unknown, whether matured or unmatured.

“Licenses” means the licenses, permits, authorizations, consents or approvals issued by the FCC or other Governmental Authority to Owner primarily relating to the operation of the Stations, including those listed on Schedule 3.7.

“Lien” means any lien, pledge, charge, security interest, mortgage, defect of title or other encumbrance.

“Material Adverse Effect” means any event, circumstance or condition that, individually or when aggregated with all other similar events, circumstances or conditions, would reasonably be expected to have a material adverse effect on the property, operations, financial condition or results of operations of the Business or the Stations, or the ability of Seller to consummate the transactions contemplated by this Agreement; *provided, however*, that Material Adverse Effect shall not include any such events, changes or effects arising out of, resulting from or attributable to, directly or indirectly (i) the transactions contemplated by this Agreement or other actions required or contemplated to be taken or not to be taken by this Agreement or taken with Buyer’s consent or not taken as a result of Buyer withholding consent, (ii) matters specifically disclosed in the Schedules hereto, (iii) the announcement or other disclosure of the transactions contemplated by this Agreement, (iv) any federal or state governmental actions, including, without limitation, proposed or enacted legislation or regulatory changes, (v) changes in GAAP or regulatory accounting principles, (vi) matters generally applicable to the radio broadcast industry and not disproportionately affecting the Business or the Stations relative to other businesses operating in the same industry, (vii) any change in international, national, regional, local or industry-wide economic or business conditions (including credit markets, financial markets, capital markets, interest rates or currency exchange rates), (viii) the failure to achieve any financial projections or estimates, (ix) changes caused by acts or escalations of terrorism, war, sabotage or natural disasters or any other national or international calamity and (x) conditions generally affecting or related to attributes of Buyer, or otherwise attributable to actions taken by Buyer, including any violation of the terms of this Agreement by Buyer.

“Permitted Liens” means the following: (i) Liens for Taxes not yet due and payable or due but not delinquent or being contested in good faith; (ii) statutory landlord’s liens that were created in the ordinary course of business; (iii) restrictions or rights required to be granted to Governmental Authorities or otherwise imposed by Governmental Authorities under any Legal Requirements; (iv) zoning laws and ordinances and similar land use Legal Requirements which are not violated by the current use or occupancy of the applicable Real Property or the conduct of the Business or the operation of any Station; (v) as to interests in Real Property, any easements, rights-of-way, servitudes, permits, restrictions and minor imperfections or irregularities in title that are reflected in the public records or that do not individually or in the aggregate materially interfere with the right or ability to own, use, lease or operate the Real Property as presently utilized or the business or operation of any Station; (vi) the Assumed Liabilities; and (vii) any Liens set forth in Schedule 1.1B (subject to any limitations set forth therein).

“Person” means any person or entity, whether an individual, trustee, corporation, general partnership, limited partnership, limited liability company, trust, unincorporated organization, business association, firm, joint venture or Governmental Authority.

“Real Property” means (i) as such pertain primarily to the Business or the operation of the Stations, the Fee Estates, the land and buildings, structures, improvements and fixtures located thereon that are owned by Owner or Star City, as applicable, and all easements and other rights and interests appurtenant thereto held by Owner or Star City, as applicable; and (ii) each lease, sublease, license or other agreement (written or oral), pursuant to which Owner or Star City, as applicable, holds a leasehold or subleasehold estate in, or is granted the right to use or occupy, any land, buildings, structures, improvements, fixtures or other interest in real estate that is used primarily in the Business or operations of the Stations.

“Receivables” means all promissory notes or other similar obligations payable to Seller, and all accounts receivable and other receivables of Seller relating to or arising out of the operation of the Stations prior to the Closing Date.

“Taxes” means any taxes, charges, fees, levies or other assessments, including income, excise, use, transfer, payroll, occupancy, property, sales, franchise, unemployment and withholding taxes, penalties and interest imposed by the United States or any state, county or local government or subdivision or agency thereof.

“Trade Agreements” means all trade, barter and similar agreements for the sale of advertising time on any of the Stations for consideration other than cash.

1.2 [Terms Defined Elsewhere in this Agreement](#). In addition to (i) the defined terms in the preamble, recitals and Section 1.1 hereof, or (ii) certain defined terms used solely within a single section hereof, the following is a list of terms used in this Agreement and a reference to the section hereof in which such term is defined:

<u>Term</u>	<u>Section</u>
Adjustments	2.4(b)
Assumed Liabilities	2.5
Auditor	2.4(d)
Claimant	10.4
Claim Notice	10.4
Closing Cash Payment	2.2
Collection Period	6.7
Cure Period	11.2(a)
Estoppel Certificate(s)	5.1(j)
Improvements	3.5
Indemnity Period	10.1
Indemnitor	10.4
Losses	10.2
Non-Assumed Liabilities	2.5
Parcel Surveys	6.12(b)

<u>Term</u>	<u>Section</u>
Purchase Price	2.2
Seller's Estimate	2.4(b)
Settled Claim	10.4(b)
Title Insurance Policies	6.12(a)
Transferred Employees	6.3(a)

1.3 Clarifications. Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender and any other number as the context requires. As used in this Agreement, the word “including” is not limiting (and shall be deemed to be followed by the words “without limitation”), and the word “or” is both conjunctive and disjunctive as the context requires. Except as specifically otherwise provided in this Agreement in a particular instance, a reference to a section, schedule, or exhibit is a reference to a section of this Agreement or a schedule or exhibit hereto, and the terms “hereof,” “herein,” and other like terms refer to this Agreement as a whole, including the schedules to this Agreement, and not solely to any particular part of this Agreement. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

SECTION 2: PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and upon satisfaction of the conditions contained in this Agreement, at the Closing, Seller shall sell, convey, transfer, assign and deliver to Buyer all of Seller's right, title and interest in and to the Assets, and Buyer shall purchase, acquire and accept from Seller all of Seller's right, title and interest in and to the Assets, free and clear of all Liens other than Permitted Liens.

2.2 Purchase Price. The aggregate purchase price for the Assets shall be Three Million Five Hundred Thousand Dollars (\$3,500,000), as adjusted pursuant to Section 2.4 (the “Purchase Price”). The preliminary determination of the Purchase Price payable by Buyer on the Closing Date in accordance with Section 2.4 (the “Closing Cash Payment”), less the amount of the Escrow Amount, shall be paid by Buyer at the Closing by wire transfer of immediately available funds in U.S. dollars, to Seller or a designee of Seller and to an account thereof designated in writing by Seller prior to the Closing Date. The Escrow Amount shall be released to Seller in accordance with Section 2.3.

2.3 Escrow Deposit. Concurrently with or prior to the execution and delivery of this Agreement, Buyer and Owner executed and delivered the Escrow Agreement, and Buyer deposited the Escrow Deposit with the Escrow Agent by wire transfer of immediately available funds in U.S. dollars, to be held pursuant to the Escrow Agreement. Upon the Closing, Buyer and Owner shall instruct the Escrow Agent to pay the amount of the Escrow Amount to Seller or a designee of Seller, by wire transfer of immediately available funds in U.S. dollars to an account designated by Seller.

2.4 [Adjustments and Prorations.](#)

(a) All revenues and all expenses arising from the Business prior to the Closing Date, including tower rental, business and license fees, utility charges, real and personal property Taxes and assessments levied against the Assets, property and equipment rentals, applicable copyright or other fees (including program license payments), sales and service charges, annual regulatory fees, amounts owing in respect of unlicensed software, music license fees and similar prepaid and deferred items, shall be prorated between Seller and Buyer in accordance with GAAP and the general principle that Seller shall receive the benefit of all revenues, and be responsible for all costs, expenses and Liabilities, allocable to the Stations for the period prior to the Closing Date, and Buyer shall receive the benefit of all revenues, and be responsible for all costs, expenses and Liabilities, allocable to the Stations on or after the Closing Date; *subject, however,* to the following:

(1) An adjustment and proration shall be made in favor of Buyer or Seller, as applicable, for the amount, if any, by which the fair market value of the goods or services to be received by the Stations under its Trade Agreements as of the Closing Date exceeds, or is less than, the value of any advertising time remaining to be run by the Stations as of the Closing Date.

(2) There shall be no proration for program barter, other than with respect to any cash payments due or paid in connection therewith.

(3) Seller shall be entitled to all revenue and bear all expenses and other Liabilities related to the Excluded Assets.

(b) Seller shall prepare and submit to Buyer, not later than two (2) Business Days prior to the Closing Date, a written good faith estimate of the adjustments and prorations set forth in subsection (a) above (the “Adjustments”) in accordance with this Section 2.4, along with Seller’s estimate of the Purchase Price resulting from the Adjustments (“Seller’s Estimate”). After delivery of Seller’s Estimate and prior to the Closing, Buyer and Seller shall in good faith attempt to resolve any disputes between them with respect to the determination of the Closing Cash Payment; if as of the Closing any items shall be in dispute between them with respect to the Closing Cash Payment, Seller’s Estimate shall be used as the amount of the Closing Cash Payment payable by Buyer on the Closing Date, with such disputed items to be settled between them following the Closing pursuant to subsections (c) and (d) below.

(c) Within forty-five (45) days following the Closing, Seller shall prepare and deliver to Buyer (i) an unaudited schedule of assets and liabilities and statements of operating income and cash flow of the Stations and the Business as of the Closing Date and for the period beginning on the first day of the calendar month in which the Closing shall occur and ended on the Closing Date, and (ii) a schedule showing any changes to the Adjustments that Seller believes to be appropriate. Except as provided in Section 2.4(d), a final settlement of all Adjustments made under this Section, with payment being made by the appropriate Party by wire transfer of immediately available

funds in U.S. dollars, to an account designated by the Party entitled to receive such payment, shall occur no later than ninety (90) days after the Closing Date. Each Party having documentation regarding the basis for or amount and payment status of any Adjustment shall, upon request of the other Party, provide the other Party with a copy of such documentation.

(d) In the event that the Parties cannot agree on the amount of the final Adjustments, the determination shall be made by a mutually agreed to national or regional accounting firm (the “Auditor”). The Auditor shall make the determination of the final Adjustments based on GAAP in effect on the Closing Date and in accordance with this Section 2.4. Either Party may invoke the use of the Auditor by notifying the other Party in writing, *provided* that neither Party may invoke the use of the Auditor to determine the final Adjustments earlier than ninety (90) days after the Closing Date. In the event that either Party invokes the use of the Auditor, there shall be a thirty (30) day period (the “Discovery Period”) when the Parties may request of and shall provide to each other in writing or computer format where appropriate any documentation or records in the possession of the other Party that are related to a claim or defense to be made to the Auditor. Fifteen (15) Business Days after the expiration of the Discovery Period, the Parties shall have the opportunity to present their claims and supporting documentation to the Auditor. The Auditor shall be required to render a decision within fifteen (15) Business Days after each Party shall have presented (or have foregone the opportunity to present) its claims and supporting documentation to the Auditor. The decision of the Auditor shall be final and binding on the Parties and shall not be subject to any judicial challenge by either Party. Within five (5) Business Days after the Auditor provides the determination to the Parties, payment in accordance with that determination shall be made by the appropriate Party by wire transfer of immediately available funds in U.S. dollars, to an account designated by the Party entitled to receive such payment. The expenses of the Auditor shall be paid by the Party which, based on the Auditor’s resolution of the disputed item(s), is not the substantially prevailing Party.

2.5 Assumed Liabilities. At and after the Closing, Buyer shall assume and timely pay, discharge and perform all Liabilities arising out of or relating to Buyer’s ownership of the Assets or operation of the Stations on and after the Closing Date, including all Liabilities attributable to the period, and arising with respect to events occurring, on or after the Closing Date under or with respect to the Licenses and the Assumed Contracts, (b) all Liabilities for Taxes with respect to the Assets and the conduct of the Business of the Stations arising on and after the Closing Date and (c) any Liabilities included in the Adjustments for which Buyer shall have received the benefit of an adjustment or proration as of Closing (collectively, the “Assumed Liabilities”). All Liabilities not expressly assumed by Buyer are collectively referred to herein as “Non-Assumed Liabilities” and shall remain and be the Liabilities solely of Seller, including (i) any Liabilities under any Contract not included in the Assumed Contracts, (ii) any Liabilities under the Licenses or Assumed Contracts attributable to the period prior to the Closing Date, (iii) any claims or pending Actions attributable to the operation of the Stations prior to the Closing, (iv) any Liabilities attributable to any of the Excluded Assets, and (v) any other Liabilities attributable to the ownership and control of the Assets, the Business and the Stations during the period prior to the Closing Date (other

than any Liabilities included in the Adjustments for which Buyer shall have received the benefit of an adjustment or proration).

SECTION 3: REPRESENTATIONS AND WARRANTIES OF SELLER

Except as disclosed to Buyer in the attached Schedules, and subject to the qualifications and limitations set forth elsewhere in this Agreement, Seller hereby represents and warrants to Buyer as follows:

3.1 Organization and Authority. Owner is a corporation, duly organized, validly existing and in good standing under the laws of the State of Iowa; and Star City is a corporation, duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. Owner and Star City each has all requisite corporate power and authority, (i) to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and (ii) to own, lease and operate the Stations and the Assets owned by it and to carry on the Business as now being conducted.

3.2 Authorization and Binding Obligations. The execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by Seller have been duly and validly authorized by all necessary corporate action. This Agreement has been, and each of the documents and instruments required hereby to which Seller is a party will be, duly executed and delivered by Seller and (assuming the due authorization, execution and delivery by Buyer) constitutes a valid and binding agreement of Seller enforceable against it in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

3.3 No Contravention; Consents. Subject to obtaining the Consents set forth in Schedule 3.3, the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Seller will not (i) violate any provisions of the organizational documents of Seller, (ii) result in the breach of, constitute a default under, constitute grounds for termination of, give rise to any right of cancellation or acceleration under, or result in the creation of any Lien upon any of the Assets under the provisions of, any material Contract or any material License, or (iii) violate any Legal Requirements applicable to Seller, except, in the case of clauses (ii) and (iii), as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.4 Sufficiency of and Title to Assets. Owner has good and valid title to or a valid leasehold interest in, or otherwise has the valid right to use, all material Assets owned or leased by Owner and used in the Business, free and clear of all Liens other than Permitted Liens. Except as set forth on Schedule 3.4, the Assets and the Excluded Assets collectively constitute all of the assets necessary to conduct the Business of the Stations as of the date of this Agreement.

3.5 Real Property. Schedule 3.5 sets forth a complete and accurate list of the Real Property as of the date hereof, including the Fee Estates, and a legal description of each Fee Estate. Star City has good and marketable fee simple title to the Fee Estates,

free and clear of all Liens except for Permitted Liens. Seller has delivered to Buyer a copy of each lease agreement for any leased Real Property, in each case, in effect as of the date hereof. Except as set forth in Schedule 3.5, with respect to the Real Property, (i) Seller does not owe any brokerage commissions or finder's fees; (ii) Seller has not, as of the date hereof, subleased, licensed or otherwise granted any Person the right to use or occupy such Real Property, or any portion thereof; and (iii) Seller has not collaterally assigned or granted any other security interest in such Real Property or any interest therein and there are no Liens on the Fee Estate, except for Permitted Liens. The Real Property constitutes all the real property and leasehold interests owned or held by Seller or any Affiliate(s) of Seller and used or held for use primarily in connection with the operation of the Business of the Stations. The Real Property has, in all material respects, legal and practical access to public roads or streets and is served by all utilities and services necessary, in all material respects, for the conduct and operation of the Business as presently conducted. All improvements, installations, equipment and facilities utilized primarily in connection with the Business of the Stations are constructed, maintained, placed and located on the Real Property in compliance in all material respects with all Legal Requirements and are located entirely on each parcel of the Real Property, except for non-material encroachments. No Fee Estate is currently subject to any notice that such Fee Estate is located within any flood zone within which the maintenance of flood insurance is mandatory under applicable Laws. Seller has received no written notice of any pending suit for condemnation or other currently proposed or pending taking by any public authority.

3.6 Equipment. Schedule 3.6 contains an accurate and complete list of all material items of Equipment owned or leased by Owner as of the date hereof. Owner has good title to all of the Equipment that is not leased by Owner under leases listed in Schedule 3.6, free and clear of all Liens except for Permitted Liens. Except as specified on Schedule 3.6, all Equipment, taken as a whole, is in operating condition (ordinary wear and tear excepted), and adequate for its current use, and available for use, in the operation of the Stations as presently conducted.

3.7 Licenses. Schedule 3.7 lists all FCC Licenses as of the date hereof, with expiration dates as set forth on Schedule 3.7, and other material Licenses. Except as noted on Schedule 3.7, all FCC Licenses and material Licenses are validly issued in the name of Owner, and all such licenses are in full force and effect, and are not subject to any conditions that would require operation of the Stations in a manner materially different than their operation as of the date of this Agreement. Owner is in compliance in all material respects with all the terms of the Licenses, and, except as set forth on Schedule 3.7, there are no pending applications filed by Owner as of the date hereof. To Owner's Knowledge, except as set forth on Schedule 3.7, as of the date hereof, there is (i) no complaint before the FCC as a result of which an investigation, notice of apparent liability, or order of forfeiture may be issued from the FCC relating to the Stations, (ii) no FCC notice of apparent liability or order of forfeiture pending or outstanding against Owner or the Stations, and (iii) no investigation with respect to any violation or alleged violation of any FCC rule, regulation, or policy by Owner. Seller is operating the Business and the Stations in compliance in all material respects with the Communications Laws and the FCC Licenses. Each Station is licensed by the FCC to operate, and is

operating in all material respects, with the facilities authorized by its FCC Licenses. Owner has filed or made all material applications, reports, and other disclosures required by the FCC to be made in during the current license term of each respective FCC License in respect of the Business of the Stations and has timely paid all requisite FCC regulatory fees required to be paid during the current license term of each respective FCC License.

3.8 [Contracts](#). [Schedule 3.8](#) includes a list of all material Contracts as of the date hereof, except (i) Assumed Contracts with advertisers for the sale of advertising time on the Stations in the ordinary course of business for cash at rates consistent with past practices, (ii) miscellaneous Contracts for goods or services that are entered into in the ordinary course of business that either may be canceled without breach, fee, payment or penalty on sixty (60) days' or less notice or do not involve consideration in excess of Five Thousand Dollars (\$5,000) per year under any one Contract and (iii) Contracts that constitute Excluded Assets. Owner has delivered to Buyer true and complete copies of all written Assumed Contracts in effect as of the date hereof. Except as set forth in [Schedule 3.8](#), (x) each Assumed Contract represents a valid, binding and enforceable obligation of Seller in accordance with the respective terms thereof and, to Seller's Knowledge, represents a valid, binding and enforceable obligation of each of the other parties thereto in accordance with the respective terms thereof, (y) there is no material default (or event which with the giving of notice or lapse of time, or both, would become a material default) on the part of Seller or, to the Knowledge of Seller, on the part of any other party, under any Assumed Contract, and, in either case, no such default is still outstanding on the date hereof, and (z) Seller has not received or sent any notice of a material default under any Assumed Contract that is outstanding on the date hereof.

3.9 [Intellectual Property](#). [Schedule 3.9](#) contains a list of all material owned Intellectual Property that is registered or pending registration with any Governmental Authority as of the date hereof, all of which are, to Owner's Knowledge, valid and in full force and effect and in good standing and uncontested. To its Knowledge, Owner is not infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, domain names, copyrights, patents, patent applications, know-how, methods, processes or similar intellectual property rights owned by any other Person to the extent such infringement or adverse action would result, or reasonably be expected to result, in a Material Adverse Effect. To the Knowledge of Owner, none of the material owned Intellectual Property is being infringed, violated or misappropriated, nor is such Intellectual Property being used or available for use by any Person other than Owner, except as set forth in [Schedule 3.9](#).

3.10 [Personnel Matters](#).

(a) [Employees](#). [Schedule 3.10](#) contains a list of all Employees as of the date hereof, together with each such Employee's position and work location as of the date hereof. Owner has delivered to Buyer an accurate schedule showing, as of the date hereof, each Employee's annual salary or hourly rate of pay (whichever is applicable) and part-time, full-time or temporary status. Except as described in [Schedule 3.10](#), Owner has no written or oral contracts of employment with any Employee of the Stations other than oral employment agreements terminable at will without penalty. Star City does not

have any Employees that are employed in connection with the Business or the Stations. Except as described in [Schedule 3.10](#), Owner has not received, as of the date hereof, any pending written notice that an Employee intends to terminate employment. Owner and its Affiliates are, with respect to the Business of the Stations, in compliance in all material respects with all labor and employment laws and regulations applicable to the Business, including without limitation, those laws and regulations which relate to wages, hours, discrimination in employment, collective bargaining, occupational safety, immigration, workers compensation and the payment of Social Security and other payroll-related taxes, and none of Owner or its Affiliates has received any written notice alleging that it has failed to comply in any material respect with any of the foregoing with respect to the Business of the Stations, which written notice is pending as of the date hereof.

(b) [Labor Unions](#). Owner is not a party to any collective bargaining agreement. As of the date hereof, to Owner's Knowledge, (i) none of the Employees is presently a member of any collective bargaining unit related to his or her employment and (ii) no collective bargaining unit has filed a petition that is still pending for representation of any of the Employees.

(c) [Employee Plans](#). With respect to each Employee Plan, to Owner's Knowledge, no condition or event has occurred, or is reasonably expected to occur, that could subject, directly or indirectly, Buyer or any of its Affiliates to any material liability, contingent or otherwise, including, but not limited to, any Tax, Lien or penalty under ERISA or the Code, or any "withdrawal liability" (as defined under Section 4201 et. seq. of ERISA) under a multiemployer plan (as defined in ERISA Section 3(37)).

3.11 [Financial Information](#). Owner has furnished Buyer with the Historical Financials. The Historical Financials have been prepared in accordance with GAAP (except for the absence of footnotes and subject to year-end adjustments). The Historical Financials present fairly in all material respects the financial position of the Stations and the Business as of the dates specified therein and the results of operations of the Stations and the Business for the periods covered thereby.

3.12 [Taxes](#). Seller has filed, or caused to be filed, with the appropriate Governmental Authority, all material Tax returns required to be filed with respect to the Stations and the Business, and Seller has paid, caused to be paid or accrued all Taxes shown to be due and payable or claimed to be due and payable thereon, except where the failure to file such returns or pay or accrue such Taxes would not result in a Lien on the Assets or in the imposition of transferee liability on Buyer for the payment of such Taxes. Seller has no Liability material in amount for any Taxes due and owing with respect to the Stations and the Business, and, to Seller's Knowledge, there are no proceedings pending pursuant to which Seller is or could be made liable for any Taxes the liability for which could extend to Buyer as assignee of the Assets or as operator of the Stations following the Closing.

3.13 [Claims and Litigation](#). Except as set forth on [Schedule 3.13](#), there are no Actions pending or, to Seller's Knowledge, threatened by or against Seller relating to the Assets, the Business or the transactions contemplated by this Agreement.

3.14 [Compliance with Laws](#). Except as set forth on [Schedule 3.7](#), Seller is in compliance in all material respects with all applicable Legal Requirements and Licenses relating to the Stations, the Business and the Assets.

3.15 [Environmental Matters](#). Except as set forth on [Schedule 3.15](#), there is (i) no handling of any Hazardous Substances by Seller and, to the Knowledge of Seller, no presence of Hazardous Substances on any Real Property that would subject any owner or operator of such Real Property to liability for cleanup, removal or some other remedial action under any Environmental Laws and (ii) no underground tanks, PCBs or asbestos-containing materials located on any Real Property. Seller has conducted the Business in compliance in all material respects with all Environmental Laws. During the past three (3) years, Seller has not received any notice of or, to Seller's Knowledge, is not the subject of, any Action by any Person alleging liability under or noncompliance with any Environmental Law. Seller has made available to Buyer a true and complete copy of each Phase I and Phase II environmental report relating to the Real Property that has been prepared by or for Seller and its Affiliates at any time during the past five (5) years, which is in Seller's possession or control. Notwithstanding any other provision of this Agreement, Buyer acknowledges and agrees that the representations and warranties contained in this Section 3.15 are the only representations and warranties given by Seller with respect to environmental matters or with respect to Environmental Laws, and no other provision of this Agreement shall be interpreted as containing any representation or warranty with respect thereto.

3.16 [Conduct of Business in Ordinary Course](#). Except as set forth on [Schedule 3.16](#), between January 1, 2011, and the date hereof, Owner has conducted the Business and operations of the Stations in the ordinary and usual course consistent with past practice in all material respects, and has not (i) made any sale, assignment, license, lease or other transfer of any of, or otherwise abandoned or failed to maintain, any material Assets, other than Excluded Assets, obsolete or worn-out assets no longer necessary for the operation of the Stations, or other assets sold or disposed of in the normal course of business; (ii) suffered any material damage or destruction (whether or not covered by insurance) to any of its material Assets which Assets have not been repaired or replaced, or (iii) experienced any Material Adverse Effect except as may be reflected in the Historical Financials.

3.17 [Insurance](#). Owner has such amounts and types of insurance coverage for the Stations and the Business as is reasonable and customary for broadcast radio stations. Owner is not in default in any material respect under any of its insurance policies that are related to the Stations and the Business, nor has Owner failed to give any notice or present any claim under any such policies in a due and timely fashion.

3.18 [Brokers](#). Except for Media Services Group, Inc., whose fees and expenses shall be borne by Seller, Seller has not engaged any agent, broker or other Person acting

pursuant to the express or implied authority of Seller which is or may be entitled to a commission or broker or finder's fee in connection with the transactions contemplated by this Agreement or otherwise with respect to the sale of the Assets or the Business.

3.19 [Absence of Other Express or Implied Representations](#). Except for the representations and warranties contained in this Section 3 (or in the certificates delivered pursuant to this Agreement), neither Seller nor any other Person makes any express or implied representation or warranty on behalf of Seller.

SECTION 4: [REPRESENTATIONS AND WARRANTIES OF BUYER](#)

Subject to the qualifications and limitations set forth elsewhere in this Agreement, Buyer hereby represents and warrants to Seller as follows:

4.1 [Organization and Authority](#). Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Iowa, and is qualified to do business in Iowa. Buyer has all requisite corporate power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

4.2 [Authorization and Binding Obligations](#). The execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by Buyer have been duly and validly authorized by all necessary corporate action. This Agreement has been, and each of the documents and instruments required hereby to which Buyer is a party will be, duly executed and delivered by Buyer and (assuming the due authorization, execution and delivery by Seller) constitutes a valid and binding agreement of Buyer enforceable against it in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

4.3 [No Contravention; Consents](#). Subject to obtaining the Consents set forth in [Schedule 4.3](#), the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Buyer will not (i) violate any provisions of the organizational documents of Buyer, (ii) result in the breach of, constitute a default under, constitute grounds for termination of, give rise to any right of cancellation or acceleration under the provisions of, any material contract or license of Buyer, or (iii) violate any Legal Requirements applicable to Buyer, except, in the case of clauses (ii) and (iii), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or to consummate the transactions contemplated hereby.

4.4 [Compliance with Law](#). There are no violations by Buyer of any applicable Legal Requirements relating to any business of Buyer that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or to consummate the transactions contemplated hereby.

4.5 [Qualifications](#). Buyer is legally, financially and otherwise qualified to be the licensee of the FCC Licenses and to acquire, own and operate the Stations under the Communications Act, including the provisions thereof relating to media ownership and attribution, foreign ownership and control and character qualifications. Buyer knows of no fact that would, under the Communications Act (a) disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations or (b) cause the FCC to fail to grant the Assignment Application. No waiver of any FCC rule or policy is necessary to be obtained for the grant of the Assignment Application, nor will processing pursuant to any exception to any FCC rule or policy of general applicability be requested or required in connection with the consummation of the transactions contemplated by this Agreement.

4.6 [Claims and Litigation](#). There are no Actions pending, or to Buyer's Knowledge, threatened by or against Buyer that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or to consummate the transactions contemplated hereby.

4.7 [Availability of Funds](#). Buyer has sufficient net liquid assets on hand and/or available from committed sources of funds to consummate the transaction that is the subject of this Agreement and to operate the Stations for three (3) months without additional revenue. On the Closing Date, Buyer will have sufficient funds to enable it to consummate the transactions contemplated by this Agreement. Buyer acknowledges and agrees that it shall be Buyer's obligation to have funds on hand at Closing sufficient to enable Buyer to pay the Purchase Price.

4.8 [Brokers](#). Buyer has not engaged any agent, broker or other Person acting pursuant to the express or implied authority of Buyer which is or may be entitled to a commission or broker or finder's fee in connection with the transactions contemplated by this Agreement or otherwise with respect to the sale of the Assets or the Business.

4.9 [Absence of Other Express or Implied Representations](#). Except for the representations and warranties contained in this Section 4 (or in the certificates delivered pursuant to this Agreement), neither Buyer nor any other Person makes any express or implied representation or warranty on behalf of Buyer.

SECTION 5: [PRE-CLOSING COVENANTS OF THE PARTIES](#)

5.1 [Covenants of Seller](#). Seller covenants and agrees from and after the execution and delivery of this Agreement to and including the Closing Date as follows:

(a) [Commercially Reasonable Efforts](#). Seller shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof, and, without limiting the generality of the foregoing, use its commercially reasonable efforts to obtain (i) all necessary Consents required in connection with this Agreement and the transactions contemplated hereby, including the FCC Consent, and any required Consents of any other

Governmental Authorities with lawful jurisdiction over Seller, and (ii) any estoppel certificates requested by Buyer pursuant to Section 5.1(j). Seller shall make all filings with and give all notices to third parties that may be reasonably necessary of Seller in order to consummate the transactions contemplated hereby. Except as expressly provided by this Agreement, neither Seller nor Buyer shall be required to make any payments to Persons or parties to the Contracts in order to obtain their Consents, except that Seller shall pay any reasonable administrative or application fees customarily payable to such Persons or parties in connection with requests for their Consent.

(b) [FCC Matters](#). Seller shall furnish to Buyer, within ten (10) days after filing, all material reports and pleadings filed with the FCC with respect to the Stations after the date hereof.

(c) [No Control](#). Notwithstanding any provision of this Agreement to the contrary, pending the Closing, Owner shall maintain actual (*de facto*) and legal (*de jure*) control over the FCC Licenses and the Stations. Specifically, Owner shall retain responsibility for the operation of the Business and the Stations pending the Closing, including responsibility for the following matters: access to and use of the facilities of and equipment owned by Owner; control of the daily operation of the Stations; creation and implementation of policy decisions; employment and supervision of Employees; payment of financing obligations and expenses incurred in the operation of the Stations prior to the Closing; receipt and distribution of moneys and profits derived from the operation of the Stations; and execution and approval of all contracts and applications prepared and filed before the FCC or any other Governmental Authority.

(d) [Access](#). Seller shall give to Buyer and its agents reasonable access during normal business hours to all of Seller's personnel, premises, properties, Assets, financial statements and records, books, contracts, documents and commitments of or relating to the Stations that are in Seller's possession or control, and shall furnish Buyer with all such information concerning the affairs of the Stations as Buyer reasonably may request, provided that the foregoing does not unreasonably disrupt the business of Seller or the Business of the Stations. This shall specifically include access to billing, customer service and maintenance personnel and records. Any access to the Real Property by or on behalf of Buyer shall be at the risk of Buyer and its representatives, and in connection therewith, Buyer hereby agrees to indemnify and hold harmless Seller and its Affiliates with respect to any Losses resulting from or arising out of Buyer's or its representatives', service providers' or agents' activities pursuant to this Section 5.1(d) and Section 6.12.

(e) [Ordinary Course](#). Other than as required under this Agreement, Seller shall conduct the business of the Stations in the ordinary course of business consistent with its past practices and shall not engage in any transaction outside of the ordinary course of business consistent with past practices, unless Buyer shall otherwise consent in writing (which consent shall not be unreasonably withheld, delayed or conditioned), including as follows: (i) Seller shall maintain appropriate insurance on the Assets, and shall not institute any material changes to the Assets, the Business or the operations of the Stations other than in the ordinary course of business consistent with past practice; (ii) Owner shall use commercially reasonable efforts to keep its

organization intact, to preserve the Business, and to preserve the goodwill of Employees, suppliers, customers, Governmental Authorities and others dealing with Owner; (iii) Seller will not pay any bonuses or make any salary, rate of commission or wage increase unless heretofore agreed to be made, or except in the ordinary course of business consistent with past practices, or as required by an existing Employee Plan or by an applicable Legal Requirement, or as otherwise disclosed herein; (iv) maintain the Books and Records included in the Assets in the usual, regular and ordinary manner, consistent with past practices; and (v) use commercially reasonable efforts to maintain the Equipment in operating condition and repair (subject to normal wear and tear).

(f) [Compliance with Laws](#). Seller shall use its commercially reasonable efforts to comply in all material respects with the Licenses and with the Communications Laws and other Legal Requirements applicable to Seller, the Stations or the conduct of the Business.

(g) [Contracts and Liens](#). Unless Buyer shall have given its prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned), Seller shall use its commercially reasonable efforts to (i) not default under, or breach any term or provision of, or suffer or permit to exist any condition or event that, after notice or lapse of time, or both, would constitute a default under, any Assumed Contract material to Seller, the Business or the operation of a Station, (ii) not cause or permit the termination (except upon the expiration thereof in accordance with its terms), modification, extension or amendment of any Assumed Contract material to Seller, the Business or the operation of a Station, other than any Assumed Contract that requires payments by Seller of less than Fifteen Thousand Dollars (\$15,000) in any 12 month period or that is terminable by Seller at any time with 90 days prior notice or less, and (iii) not create, assume, consent to or suffer to exist any Lien on any of its Assets (other than Permitted Liens) that would not be released at Closing. Unless Buyer shall have given its prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned), Seller shall not enter into any new Assumed Contract material to Seller, the Business or the operation of a Station, other than in the ordinary course of business consistent with past practices.

(h) [No Solicitation](#). Except pursuant to this Agreement or in the ordinary course of business consistent with past practice, Seller shall not (i) sell, transfer, lease, assign, convey or otherwise dispose of or distribute any Assets, (ii) knowingly solicit, encourage, entertain, negotiate or enter into any such transaction or agreement of the nature described in clause (i) above, or (iii) provide any non-public information about the Stations or the Assets to any Person.

(i) [Financial Information](#). Owner shall furnish Buyer each month an unaudited schedule of assets and liabilities and statements of operating income of the Stations and the Business within fifteen (15) days of each month end.

(j) [Estoppel Certificates](#). At Buyer's request, Seller shall request estoppel certificates in form and substance reasonably satisfactory to Buyer from the lessors of leased Real Property set forth on [Schedule 5.1](#) (the "Estoppel Certificate(s)").

(k) Negative Covenants of Seller. Seller shall use commercially reasonable efforts not to take, or cause to be taken, any of the following actions to the extent such actions relate to the Business or the Stations, unless Buyer shall have given its prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned);

(i) make any change in any method of accounting or accounting practice utilized to reflect the operations of the Business, except for any such change necessary to conform with GAAP or applicable Law;

(ii) employ or commit to employ any person other than as is reasonably necessary to replace any Employee who terminates, or is terminated from, employment on or after the date of this Agreement, provided that in any event the terms and conditions of such employment shall be consistent with past practice of Seller and provided further that any such employment is terminable at will without penalty or continuing obligation;

(iii) make any payment or commitment to pay any severance or termination pay for which Buyer will be responsible to any Employee or any independent contractor, consultant, agent or other representative of Seller, other than payments or commitments to pay such Employees, independent contractors, consultants, agents or other representatives of Seller in the ordinary course of business, consistent with past practice or required by any existing Contract or Law;

(iv) (A) voluntarily agree to enter into any collective bargaining agreement applicable to any Employees or voluntarily recognize any union as the bargaining representative of any such employees, and will promptly notify Buyer of any actual collective bargaining organizing activity of which Seller has Knowledge with respect to any such Employees; (B) communicate to any Employee any information regarding the prospective terms and conditions of their employment with Buyer which is inconsistent with the terms of this Agreement; or (C) enter into any government contracts or subcontracts that would impose affirmative action obligations on any of the Stations and Buyer after the Closing under Executive Order 11246 of 1965, as amended, 38 U.S.C. § 4212, as amended, or Section 503 of the Rehabilitation Act of 1973, as amended, and their implementing regulations;

(v) sell or make any other disposition of any of the material Assets except (x) obsolete assets that are not in use in the operation of the Business; or (y) in the ordinary course of business, consistent with past practice;

(vi) except in the ordinary course of business, consistent with past practice, incur or assume any debt, obligation or Liability that would become an Assumed Liability at the Closing;

(vii) acquire or purchase any other business, the assets and liabilities of which would become part of the Assets and the Assumed Liabilities;

(viii) take any action that would result in any of the FCC Licenses or antenna structure registrations being materially and adversely modified, terminated or surrendered for cancellation or apply to the FCC to adversely modify in any material respect any of the FCC Licenses or antenna structure registrations;

(ix) enter into any Assumed Contract with an Affiliate with respect to the Business; or

(x) enter into any binding agreement to do any of the foregoing.

5.2 Covenants of Buyer. Buyer covenants and agrees that from and after the execution and delivery of this Agreement to and including the Closing Date as follows:

(a) Commercially Reasonable Efforts. Buyer shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof, and, without limiting the generality of the foregoing, provide Owner with reasonable assistance in obtaining (i) all necessary Consents and other authorizations required in connection with this Agreement and the transactions contemplated hereby, including the FCC Consent, and any required consent of any other Governmental Authorities with lawful jurisdiction, and (ii) any Estoppel Certificates requested by Buyer pursuant to Section 5.1(j). Buyer shall make all filings with and give all notices to third parties that may be necessary or reasonably required in order for Buyer to consummate the transactions contemplated hereby.

(b) No Control. Notwithstanding any provision of this Agreement to the contrary, pending the Closing, Buyer shall do nothing to interfere with Owner's actual (*de facto*) and legal (*de jure*) control over the Stations. Specifically, Buyer acknowledges and agrees that the responsibility for the operation of the Business and the Stations shall, pending the Closing, reside with Owner, including responsibility for the following matters: access to and use of the facilities of and equipment owned by Owner; control of the daily operation of the Stations; creation and implementation of policy decisions; employment and supervision of Employees; payment of financing obligations and expenses incurred in the operation of the Stations prior to the Closing; receipt and distribution of moneys and profits derived from the operation of the Stations; and execution and approval of all contracts and applications prepared and filed before the FCC or any other Governmental Authority.

(c) No Inconsistent Agreements. Buyer shall not knowingly purchase or agree to purchase any radio stations or FCC licenses or enter into any other agreement or transaction that would reasonably be expected to prohibit or materially interfere with or materially delay the transactions contemplated hereby.

(d) Buyer Maintenance of Availability of Funds. Buyer shall use commercially reasonable efforts to ensure that it continues until Closing to have net liquid assets and/or shall have available via the draw-down of funds pursuant to its

revolving loan with Bank of America so that Buyer will have sufficient funds to enable it to consummate the transactions contemplated by this Agreement on the Closing Date. Buyer agrees to promptly notify Seller if, at any time prior to the Closing, it no longer has available the amount of the Purchase Price through net liquid assets and/or available revolving loan financing. Notwithstanding anything herein to the contrary, on the Closing Date, Buyer will have sufficient funds to enable it to consummate the transactions contemplated by this Agreement.

SECTION 6: JOINT COVENANTS

6.1 Consultations regarding Consents of Governmental Authorities. The Parties shall consult with one another as to the approach to be taken with any Governmental Authority with respect to obtaining any necessary Consent of such Governmental Authority to the transactions contemplated hereby, and each Party shall keep the other Party reasonably informed as to the status of any communications by it with any Governmental Authority related to obtaining any such Consent. No Party hereto shall make any material commitments relating to any Consent of any Governmental Authority that would alter in any material way any application or request filed jointly by the Parties with respect to the transactions contemplated hereby without the other Party's prior written consent.

6.2 Joint Filings. Seller and Buyer filed the Assignment Application on November 4, 2011, with that certain letter agreement by and between Seller and Buyer, dated as of October 19, 2011, and countersigned as of October 21, 2011, attached thereto, requesting the FCC Consent. If the Assignment Application is pending, Seller and Buyer shall cooperate in the preparation of an amendment to the Assignment Application to be filed, with a copy of this Agreement attached thereto, as soon as practicable following the execution by the Parties of this Agreement. If the Assignment Application filed on November 4, 2011 is dismissed by the FCC for failure to timely amend with an executed purchase agreement, then Seller and Buyer shall prepare and file with the FCC as soon as practicable, but in no event later than three (3) Business Days after the execution of this Agreement, a new Assignment Application with this Agreement attached thereto, and references in this Agreement to the Assignment Application will refer to that subsequent filing.

(a) Prosecution of the Assignment Application. The parties shall cooperate to prosecute the Assignment Application with commercially reasonable diligence and otherwise use their commercially reasonable efforts to obtain the FCC Consent as expeditiously as practicable. Each Party shall promptly provide to the other Party a copy of any pleading, order or other document served on them relating to any Assignment Application. The Parties shall undertake all actions and file such materials as shall be reasonably necessary or required to obtain any necessary waivers or other authority in connection with any Assignment Application and shall oppose any petitions to deny or other objections filed with respect to any Assignment Application and any requests for reconsideration or review of any FCC Consent. Buyer is and will be legally,

financially and otherwise qualified to be the licensee of and to acquire, own and operate the Stations under the Communications Act. Each party agrees to comply with any customary condition imposed on it (or its Affiliates) by the FCC Consent that is applicable to broadcast radio stations generally. Buyer, on the one hand, and Seller, on the other hand, shall each pay one-half of any required FCC filing fees in connection with any Assignment Application. Neither Seller, on the one hand, nor the Buyer, on the other hand, shall agree to participate in any meeting with any Governmental Authority (including the FCC) in respect of any filing, consent, approval, investigation or other inquiry unless it consults with the other party in advance and, to the extent permitted by such Governmental Authority, gives the other party the opportunity to attend and participate in such meeting.

(b) Certain Extensions. If the Closing shall not have occurred for any reason within the original effective period of any FCC Consent, and neither Party shall have terminated this Agreement pursuant to its rights under Section 11, the Parties shall jointly request an extension of the effective period of such FCC Consent. No extension of the effective period of any FCC Consent shall limit the rights of either Party to exercise its right to terminate this Agreement pursuant to Section 11.

6.3 Employee Matters.

(a) On or prior to the Closing Date, Buyer shall offer employment in connection with the Business of the Stations, effective as of the Closing, to each Employee employed as of the Closing Date and to each employee of Owner or any Affiliate thereof that has replaced any Employee between the date hereof and the Closing in accordance with this Agreement. Each such employee who accepts Buyer's offer of employment and each Employee subject to an employment agreement listed on Schedule 3.8 (which shall be assumed by Buyer at the Closing and which, from and after the Closing, shall be an Assumed Liability), shall be considered a "Transferred Employee" as of the effective date of his or her employment with Buyer.

(b) Buyer shall offer and provide, effective as of the Closing, group health plan coverage to each full-time Transferred Employee (and to the spouse and dependents of such employee) on terms and conditions no less favorable in all material respects to the group health plan coverage provided to similarly-situated employees of the Buyer as of the Closing. For purposes of providing such coverage, Buyer shall waive all preexisting condition waiting periods and limitations for each Transferred Employee (and for the spouse and dependents of such employee) covered by the group health care plan of Owner, as applicable, immediately prior to the Closing (to the extent that such waiting periods and limitations did not apply to such employee, spouse or dependent immediately prior to the Closing Date) and shall provide such health care coverage effective as of the Closing without the application of any eligibility period for coverage. In addition, Buyer shall credit all payments made by a Transferred Employee (and the spouse and dependents of such employee) toward deductible, out-of-pocket and co-payment obligation limits under the applicable health care plans of Owner for the plan year which includes the Closing Date, as if such payments had been made for similar purposes under the health care plans offered to the Transferred Employees (and their spouses and

dependents) on and after the Closing Date during the plan year which includes the Closing Date.

(c) On and after the Closing Date, for a Transferred Employee, Buyer shall assume full responsibility and liability for offering and providing “continuation coverage” to any “M&A qualified beneficiary” and to any “covered employee” and any “qualified beneficiary” who, in connection with the Business, is covered by an Employee Plan which is a “group health plan” and who experiences a “qualifying event” or is receiving “continuation coverage” on or after the Closing. “Continuation coverage,” “M&A qualified beneficiary,” “covered employee,” “qualified beneficiary,” “qualifying event” and “group health plan” all shall have the meanings given such terms under Section 4980B of the Code and Section 601 *et seq.* of ERISA.

(d) As of the Closing Date, Owner shall cause all the Transferred Employees to cease participation in any of the Employee Plans of Seller.

(e) Buyer shall be solely responsible for any and all liabilities, penalties, fines or other sanctions in regard to the Transferred Employees that may be assessed or otherwise due under the Worker Adjustment and Retraining and Notifications Act and similar laws and regulations arising out of the transactions contemplated herein, or otherwise at anytime after the Closing Date.

(f) Seller shall be responsible for providing “continuation coverage,” as such term is defined under Section 4980B of the Internal Revenue Code (“COBRA”), to any Employee (and his or her dependents) for any qualified event that occurs prior to the Closing Date (regardless of whether Buyer offers employment to the Employee or the Employee does not accept an offer of employment).

(g) Seller shall retain responsibility for claims for workers compensation or for the type of benefits described in Section 3(1) of ERISA (whether or not covered by ERISA) that are incurred prior to the Closing Date by Transferred Employees. Buyer shall be responsible for disability benefits and workers compensation benefits for Transferred Employees for claims incurred on or after the Closing Date. For purposes of the foregoing, a medical or dental claim shall be considered incurred when the medical services are rendered or medical supplies are provided, and not when the condition arose. A disability or workers compensation claim shall be considered incurred prior to the Closing Date if the injury or condition giving rise to the claim occurs prior to the Closing Date.

(h) This Section 6.3 is not intended, and shall not be deemed, to confer any rights or remedies upon any Person other than the parties to this Agreement and their respective successors and permitted assigns, to create any agreement of employment with any employee or to otherwise create any third party beneficiary hereunder, or to be interpreted as an amendment to any Employee Plan or other plan for any purpose.

6.4 [Notifications](#). Between the date of this Agreement and the Closing Date, Buyer will promptly notify Seller of any written notice or other written communication,

including any written threat, filing, service or institution of any Action, brought by any Person that is or reasonably may be adverse to the consummation of this Agreement or the other transactions contemplated hereby.

6.5 [Confidentiality](#). Except as necessary for the consummation of the transactions contemplated by this Agreement, and except as and to the extent required by applicable Legal Requirements, each Party will keep confidential all information obtained from the other Party in connection with the transactions contemplated by this Agreement (unless such information thereafter becomes generally available to the public other than as a result of disclosure by the Party receiving such information, is otherwise available to it on a non-confidential basis from another source, or has been developed independently by it without use of any such information); *provided* that upon the Closing, Buyer's obligation under this Section 6.5 shall terminate with respect to information that pertains to the Assets, the Business or the operation of the Stations subsequent to the Closing. If this Agreement is terminated, each Party will, upon request, return to the other Party all information obtained by the first Party from the other Party in connection with the transactions contemplated by this Agreement.

6.6 [Press Releases](#). No Party hereto will issue any press release or make any other public announcements concerning this Agreement or the transactions contemplated hereby except with the prior approval (not to be unreasonably withheld) of the other Party hereto regarding the timing and content of such announcement; *provided* that any Party hereto may make any disclosure that it in good faith determines to be necessary to comply with applicable Legal Requirements so long as such Party shall give prior written notice to the other Party of such disclosure.

6.7 [Receivables](#).

(a) For the period from the Closing Date until one hundred twenty (120) days after the Closing Date (the "[Collection Period](#)"), Buyer, as agent for Seller, shall collect on behalf of Seller all Receivables with the same care and diligence as Buyer uses with respect to its own accounts receivable, except that Buyer shall not refer any of the Receivables to a collection agency or to an attorney for collection, or compromise, settle or adjust the amount of any Receivable except with the prior written approval of Seller.

(b) During the Collection Period, all payments received from account debtors shall first be applied in reduction of the oldest outstanding balance due from such account debtor, except to the extent that any account debtor disputes in a written notice to Buyer whether an account is properly due, in which case, all payments received shall be applied as directed by such account debtor. Buyer will promptly provide Seller a copy of any written notice of any dispute received from any account debtor.

(c) Buyer shall remit all payments owed to Seller (as set forth in this Section 6.7) each month within ten (10) days of each month end, together with a list of the accounts and amounts collected during the relevant period to which such payments pertain.

(d) So long as Buyer is in compliance with this Section 6.7, during the Collection Period neither Seller nor any of its representatives or agents, shall make any direct solicitation of the account debtors for collection purposes with respect to the Receivables or other direct attempts to collect such Receivables from account debtors during such Collection Period except (i) as may be agreed to by Buyer, (ii) with respect to those Receivables that shall have become more than ninety (90) days past due, and (iii) those Receivables from which Buyer has received written notice of a dispute from the account debtor.

(e) Upon the conclusion of the Collection Period, Buyer shall remit to Seller all amounts collected by Buyer from account debtors not previously remitted to Seller, shall assign to Seller all uncollected Receivables and shall furnish Seller with a compilation of the accounts and amounts collected during such period and all files concerning any uncollected Receivables, and Buyer shall have no further responsibilities hereunder except to remit promptly to Seller any amounts subsequently received by it on account of the Receivables.

6.8 [Allocation of Purchase Price](#). Buyer and Seller shall use commercially reasonable good faith efforts to agree on the allocation of the Purchase Price in accordance with the rules under Section 1060 of the Code; *provided, however*, that if the Parties are unable to agree to such allocation, each Party may make such allocation as it may determine in its sole discretion. If the Parties are able to reach agreement on the allocation of the Purchase Price, no filings made by either Party with any taxing or other authority shall reflect an allocation other than in the manner agreed upon and each Party shall timely make all filings required by any taxing authority, including the filing of Internal Revenue Service Form 8594.

6.9 [Bulk Sales](#). Seller and Buyer hereby waive compliance by the other with bulk sales Legal Requirements applicable to the transactions contemplated hereby.

6.10 [Risk of Loss](#). The risk of any loss, damage, impairment, confiscation, or condemnation of any of the Assets shall be borne by Seller at all times prior to the Closing. If, on the date scheduled for the Closing, the conditions to the Closing set forth in Section 8 cannot be satisfied due to the loss of or damage to any of the Assets, Seller, in its sole discretion, may elect, by written notice delivered to Buyer at any time prior to the time scheduled for Closing, to either (i) repair or replace such Assets sufficiently to permit the conditions to the Closing set forth in Section 8 to be satisfied, in which case the Closing will be postponed for a period designated by Seller but no later than the Termination Date; or (ii) terminate this Agreement. In the event that Seller elects to terminate this Agreement pursuant to the immediately preceding sentence, Buyer may elect by written notice delivered to Seller within two (2) Business Days after receipt of the Seller's notice, to waive the conditions to the Closing not satisfied as a result of such loss or damage, in which case, Seller shall be required to make promptly all appropriate insurance claims relating to such loss or damage and to assign to Buyer all insurance proceeds of Seller payable in respect of such loss or damage, and Seller shall have no further responsibility for such loss or damage. If Buyer makes such election to waive

such conditions to the Closing, the Closing shall take place on the third (3rd) Business Day after Seller receives the notice of such election from Buyer.

6.11 [Further Assurances](#). On and after the Closing Date, the Parties will take all appropriate and commercially reasonable actions and execute all documents, instruments or conveyances of any kind that may be reasonably necessary or advisable to put Buyer in possession and operating control of the Assets and the Stations, or to otherwise carry out any of the provisions hereof.

6.12 [Title Insurance and Surveys](#).

(a) [Title Insurance on Fee Estates](#). With respect to each Fee Estate Buyer may, at its option and expense, undertake to obtain, at or prior to Closing, an ALTA Owner's Policy of Title Insurance Form B-1987 (or equivalent policy), insuring title to such parcel to be in the name of Buyer as of the Closing (the "[Title Insurance Policies](#)"), subject only to Permitted Liens.

(b) [Parcel Surveys](#). With respect to each Fee Estate as to which a Title Insurance Policy Buyer elects to obtain pursuant to this Agreement, Seller shall cooperate with Buyer and permit Buyer to obtain, at Buyer's sole expense, a current survey of the parcel (the "[Parcel Surveys](#)"), prepared by a licensed surveyor and conforming to current ALTA Minimum Detail Requirements for Land Title Surveys, disclosing the location of all improvements, easements, party walls, sidewalks, roadways, utility lines, and other matters customarily shown on such surveys, and showing access affirmatively to public streets and roads.

(c) [Timing](#). Buyer shall use commercially reasonable efforts to obtain prior to March 31, 2011 any Title Insurance Policies and Parcel Surveys that it has elected to obtain pursuant to this Section 6.12 and shall provide copies of such Title Insurance Policies (or denials thereof) and Parcel Surveys to Seller within five (5) business days of Buyer's receipt.

6.13 [E-Mail](#). Owner shall cooperate with Buyer to ensure that e-mail directed to any Transferred Employees or to the Stations with respect to the operation of the Business from and after the Closing Date and received at IP addresses used by the Business or the Stations prior to the Closing Date is routed to Buyer from and after the Closing Date.

SECTION 7: [CONDITIONS PRECEDENT TO OBLIGATION OF SELLER TO CLOSE](#)

The obligations of Seller to sell the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

7.1 [Representations, Warranties and Covenants](#). As to the representations and warranties of Buyer set forth in Section 4, (a) those representations and warranties set forth in Section 4 which are expressly stated to be made solely as of the date of this

Agreement or another specified date shall be true and correct in all respects as of such date, and (b) all other representations and warranties of Buyer set forth in Section 4 shall be true and correct in all respects at and as of the time of the Closing as though made at and as of that time, disregarding in each case any qualification regarding materiality, except in each case of clauses (a) and (b) to the extent that the aggregate effect of the inaccuracies in such representations and warranties as of the applicable times would not constitute or result in a material adverse effect on the ability of Buyer to perform its obligations under this Agreement or to consummate the transactions contemplated hereby; and Buyer shall have performed and complied with in all material respects all agreements and covenants required hereby to be performed or complied with by Buyer prior to or on the Closing Date, except to the extent such noncompliance results from any act or omission of Seller or its agents.

7.2 [Closing Deliveries](#). Seller shall have received from Buyer the documents and other items to be delivered to Seller by Buyer pursuant to Section 9.3 of this Agreement.

7.3 [FCC Consent](#). The FCC Consent shall have been granted, and no action shall have been taken by the FCC or other Governmental Authority that is pending as of the Closing Date with respect to the FCC Consent that makes illegal, restrains or prohibits the consummation of the transactions contemplated hereby.

7.4 [No Injunction](#). No material Legal Requirement shall have been promulgated, enacted, entered or enforced, and no other action in any court proceeding shall have been taken, by any Governmental Authority that has the effect of making illegal or of restraining or prohibiting the consummation of the transactions contemplated hereby.

SECTION 8: [CONDITIONS PRECEDENT TO OBLIGATION OF BUYER TO CLOSE](#)

The obligations of Buyer to purchase the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

8.1 [Representations, Warranties and Covenants](#). As to the representations and warranties of Seller set forth in Section 3, (a) those representations and warranties set forth in Section 3 which are expressly stated to be made solely as of the date of this Agreement or another specified date shall be true and correct in all respects as of such date, and (b) all other representations and warranties of Seller set forth in Section 3 shall be true and correct in all respects at and as of the time of the Closing as though made at and as of that time, disregarding in each case any qualification regarding materiality or Material Adverse Effect, except in each case of clauses (a) and (b) to the extent that the aggregate effect of the inaccuracies in such representations and warranties as of the applicable times does not constitute or result in a Material Adverse Effect; and Seller shall have performed and complied with in all material respects all agreements and covenants required hereby to be performed or complied with by Seller prior to or on the

Closing Date, except to the extent such noncompliance results from any act or omission of Buyer or its agents.

8.2 [Closing Deliveries](#). Buyer shall have received from Seller the documents and other items to be delivered by Seller pursuant to Section 9.2 of this Agreement.

8.3 [FCC Consent](#). The FCC Consent shall have been granted, shall be in full force and effect, and shall have become a Final Order, and no action shall have been taken by the FCC or other Governmental Authority that is pending as of the Closing Date with respect to the FCC Consent that makes illegal, restrains or prohibits the consummation of the transactions contemplated hereby.

8.4 [Material Consents and Estoppel Certificates](#). Each Consent that is designated on [Schedule 3.3](#) (or on the other Schedules referred to therein) as being a “Material Consent” and each Estoppel Certificate for real estate leases designated as requiring an Estoppel Certificate on [Schedule 5.1](#) shall have been obtained.

8.5 [No Injunction](#). No material Legal Requirement shall have been promulgated, enacted, entered or enforced, and no other action in any court proceeding shall have been taken, by any Governmental Authority that has the effect of making illegal or of restraining or prohibiting the consummation of the transactions contemplated hereby by this Agreement.

8.6 [Title Insurance and Surveys](#). In the event Buyer elects to obtain any Title Insurance Policies and Parcel Surveys pursuant to Section 6.12, (a) such Title Insurance Policy shall show good and marketable title in Star City or one of its Affiliates in conformity with Iowa law; and (b) Such Parcel Surveys shall be consistent in all material respects with the real property representations in Section 3.5.

SECTION 9: [THE CLOSING](#)

9.1 [The Closing](#). Subject to the satisfaction or waiver of all of the conditions to Closing set forth in Section 7 and Section 8, the closing of the transactions contemplated hereby (the “[Closing](#)”) shall take place at 10:00 a.m., Dubuque, Iowa time, within ten (10) Business Days after satisfaction and fulfillment of the condition set forth in Section 8.3 at the Closing Place, unless another time, date or place is mutually agreed upon in writing by Seller and Buyer. On the Closing Date and at the Closing Place, Seller shall make such deliveries as are set forth in Section 9.2, and Buyer shall make such deliveries as are set forth in Section 9.3.

9.2 [Deliveries by Seller to Buyer](#). Seller shall deliver to Buyer:

(a) One or more deeds, bills of sale, assignments, motor vehicle title certificates, and other appropriate instruments of conveyance transferring to Buyer all of the Assets in form and substance reasonably satisfactory to Buyer;

(b) Those instruments evidencing the Material Consents required by Section 8.4 and each Estoppel Certificate required by Section 8.4;

(c) Each instrument evidencing any Consent (other than Material Consents) that shall have been obtained prior to Closing;

(d) A certificate of the Secretary (or other officer) of Seller certifying the resolutions of the board of directors of Seller authorizing and approving the execution, delivery and performance of this Agreement and the other documents contemplated hereby and the consummation of the transactions contemplated hereby, and certifying that such resolutions remain in full force and effect;

(e) A good standing certificate of each of Owner and Star City from its jurisdiction of formation, dated within ten (10) Business Days prior to the Closing Date;

(f) A certificate of a duly authorized officer of Seller certifying, without personal liability, to the fulfillment of the conditions set forth in Sections 8.1; and

(g) Such other documents reasonably requested by Buyer to give effect to the transactions contemplated by this Agreement.

9.3 Deliveries by Buyer to Seller. Buyer shall deliver to Seller:

(a) The Closing Cash Payment;

(b) One or more appropriate assumption agreements whereby Buyer assumes and agrees to perform the Assumed Liabilities in form and substance reasonably satisfactory to Seller;

(c) A certificate of the Secretary (or other officer) of Buyer certifying the resolutions of the board of directors of Buyer authorizing and approving the execution, delivery and performance of this Agreement and the other documents contemplated hereby and the consummation of the transactions contemplated hereby, and certifying that such resolutions remain in full force and effect;

(d) A good standing certificate of Buyer from its jurisdiction of formation, dated within ten (10) Business Days prior to the Closing Date;

(e) A certificate of a duly authorized officer of Buyer certifying, without personal liability, to the fulfillment of the conditions set forth in Section 7.1; and

(f) Such other documents reasonably requested by Seller to give effect to the transactions contemplated by this Agreement.

SECTION 10: INDEMNIFICATION

10.1 Survival. The representations and warranties of Seller and Buyer contained in this Agreement shall survive the execution and delivery of this Agreement as follows: (i) unless otherwise specified, until eighteen (18) months after the Closing Date, (ii) the representations and warranties set forth in Sections 3.1, 3.2, 4.1 and 4.2 and (iii) Seller's representations and warranties set forth in Section 3.10 and Section 3.12

shall survive until the expiration of the applicable statute of limitations. The several covenants and agreements of the parties contained in this Agreement shall remain operative and in full force and shall survive until the performance by the applicable Party hereto of such covenant and agreement, provided that any such covenant or agreement required to be performed prior to the Closing shall survive until the first anniversary of the Closing Date. The applicable period of survival of any representations, warranties and covenants subsequent to Closing shall be referred to herein as the “Indemnity Period.” No claim may be made against any Party hereto, and no Party hereto shall have any Liability to any other Party hereto, arising out of or resulting from a representation, warranty, covenant or agreement contained in this Agreement after the applicable Indemnity Period shall have expired, except that if a Claim Notice shall have been given prior to the expiration of the applicable Indemnity Period, then, in each case, such Indemnity Period shall be extended as it relates to such Claim Notice until such claim becomes a Settled Claim.

10.2 Seller’s Indemnity. During the Indemnity Period (or thereafter, solely with respect to any claim for indemnification for which a Claim Notice has been given prior to the expiration of the applicable Indemnity Period), Seller shall indemnify and hold harmless Buyer and its Affiliates from and against any and all demands, losses, Liabilities, Actions, assessments, actual damages (but excluding incidental, punitive or consequential damages, lost profits or diminution in value), fines, Taxes, penalties, reasonable costs and expenses (including reasonable expenses of investigation, and reasonable fees and disbursements of counsel, accountants and other experts) (collectively, “Losses”) incurred or suffered by Buyer and its Affiliates, arising out of, resulting from or relating to:

- (a) Any breach of any of the representations or warranties made by Seller in this Agreement, and any failure by Seller to perform any of its covenants contained in this Agreement to be performed prior to or at Closing;
- (b) Any failure by Seller to perform any of its covenants contained in this Agreement to be performed after the Closing; or
- (c) The Non-Assumed Liabilities.

10.3 Buyer’s Indemnity. During the Indemnity Period (or thereafter, solely with respect to any claim for indemnification for which a Claim Notice has been given prior to the expiration of the Indemnity Period), Buyer shall indemnify and hold harmless Seller, its Affiliates and its representatives from and against any and all Losses incurred or suffered by Seller, its Affiliates or its representatives, arising out of, resulting from or relating to:

- (a) Any breach of any of the representations or warranties made by Buyer in this Agreement, and any failure by Buyer to perform any of its covenants contained in this Agreement to be performed prior to or at Closing;

(b) Any failure by Buyer to perform any of its covenants contained in this Agreement to be performed after the Closing; or

(c) The Assumed Liabilities and any Liabilities arising from Buyer's ownership and control of the Assets, the Business and the Stations on or after the Closing Date.

10.4 Procedures. In the event that any Party hereto shall sustain or incur any Losses in respect of which indemnification may be sought by such Party pursuant to this Section 10, the Party seeking such indemnification (the "Claimant") shall assert a claim for indemnification by giving prompt written notice thereof (a "Claim Notice") which shall describe in reasonable detail the facts and circumstances upon which the asserted claim for indemnification is based, along with a copy of the claim or complaint, if applicable, to the Party providing indemnification (the "Indemnitor"). For purposes of this paragraph, any Claim Notice that is sent within ten (10) business days of the date upon which the Claimant actually learned of such Loss shall be deemed to have been "prompt notice"; *provided* that failure of the Claimant to give the Indemnitor prompt notice as provided herein shall not relieve the Indemnitor of any of its obligations hereunder except to the extent that the Indemnitor is materially prejudiced by such failure.

(a) With respect to claims solely between the Parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have thirty (30) days to make such investigation of the claim as the Indemnitor deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnitor and its representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor agree at or prior to the expiration of such thirty-day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the recoverable amount of the claim, subject to the terms hereof (including Section 10.5). If the Claimant and the Indemnitor do not agree within such thirty-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate remedies at law or equity, as applicable, subject to the limitations of Section 10.5. Any claim for indemnification pursuant to this Section 10 with respect to which (i) the Claimant and the Indemnitor agree as to its validity and amount, or (ii) a final, non-appealable judgment, order or award of a court of competent jurisdiction deciding such claim has been rendered, as evidenced by a certified copy of such judgment, is referred to as a "Settled Claim."

(b) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnitor shall have the right, at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnitor, subject to reimbursement for reasonable out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnitor. If the Indemnitor elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. If the Indemnitor does not elect to assume control or otherwise

participate in the defense of any third-party claim, then the Claimant may defend through counsel of its own choosing, subject to the right of the Indemnitor to assume control of or otherwise participate in the defense thereof at any time prior to the settlement, compromise or final determination thereof. No party shall compromise or settle any third party claim, action or suit without the prior written consent of the other party; provided, however, if such compromise or settlement relates only to monetary amounts and provides for the full and unconditional release of the Claimant from all liability in connection with such claim, then the Indemnitor may settle such claim without the Claimant's consent as long as the Indemnitor is responsible for the recoverable amount of such claim and the settlement of such claim does not contain an admission of wrongdoing on the part of the Claimant.

10.5 Qualifications and Limitations. Notwithstanding any provision contained in this Agreement to the contrary, the Indemnitor's obligations to indemnify the Claimant pursuant to Section 10.2 or 10.3 shall be subject to the following qualifications and limitations:

(a) No indemnification shall be required to be made by Seller or Buyer, as Indemnitor, under Section 10.2(a), Section 10.2(b), Section 10.3(a) or Section 10.3(b), as applicable, until the aggregate amount of Losses of Buyer or Seller as Claimant exceeds Twenty-Five Thousand Dollars (\$25,000) (the "Basket Amount"), whereupon the Claimant shall be entitled to indemnification from the Indemnitor for all Losses for which the Claimant is otherwise entitled to be indemnified under this Agreement, provided, however, any Losses of Buyer in respect of Seller's Taxes shall not be subject to the Basket Amount. The parties hereto acknowledge and agree that it is their intention that no standard of materiality or reasonableness shall be implied (by law, in equity or otherwise) in any representation, warranty, covenant or other agreement of Seller or Buyer contained in this Agreement or the other agreements executed by or on behalf of Seller or Buyer in connection herewith, unless such a standard is expressly set forth in such representation, warranty, covenant or agreement.

(b) In no event shall either Buyer or Seller as Claimant under Section 10.2(a), Section 10.2(b), Section 10.3(a) or Section 10.3(b), as applicable, have any right to indemnity exceeding, in the aggregate, the amount of Five Hundred Thousand Dollars (\$500,000), and in no event shall either Party have any right to indemnity under Section 10 exceeding, in the aggregate, the Purchase Price, as finally adjusted pursuant to Section 2.4.

(c) All of Buyer's or Seller's Losses sought to be recovered under Section 10.2 or 10.3 hereof shall be net of any insurance proceeds actually received by Buyer or Seller as Claimant, as the case may be with respect to the events giving rise to such Losses. Each Party shall prosecute, or cause its appropriate Affiliate to prosecute, diligently and in good faith any claim for losses or damages with any applicable insurer. If a Claimant or any of its Affiliates actually recovers from insurers or other third parties any payments in respect of a matter for which such Claimant has been indemnified pursuant to Section 10.2 or Section 10.3, such Claimant shall promptly pay over to the Indemnitor the amount so recovered (net of any expenses incurred by it in procuring such

recovery), but not in excess of the amount previously paid by the Indemnitor to or on behalf of the Claimant in respect of such matter.

(d) Following the Closing, in the absence of fraud on the part of the other Party, the sole and exclusive remedy for either Party for any claim (whether such claim is framed in tort, contract or otherwise) arising out of a breach of any representation or warranty in this Agreement or a covenant or agreement contained herein that, by its terms, was to have been performed or complied with prior to the Closing shall be a claim for indemnification pursuant to this Section 10.

(e) Notwithstanding any other terms hereof, the liability of Owner and Star City as referred to collectively as Seller in Section 10.2 shall not be joint. Instead, Owner shall be solely liable for any breach of its representations and warranties, and its nonperformance of its covenants and non-fulfillment of its obligations, with respect to its own assets and operations and the Business, and Star City shall be solely liable for any breach of its representations and warranties, and its nonperformance of its covenants and non-fulfillment of its obligations, with respect to the Fee Estates owned by Star City included in the Real Property.

(f) In no event shall any Party be liable for indemnification under this Section 10 for any Losses resulting from or relating to any inaccuracy in or breach of any representation or warranty in this Agreement if the Party seeking indemnification for such Losses had knowledge of such breach prior to the Closing.

SECTION 11: TERMINATION

11.1 Termination by Mutual Consent. This Agreement may be terminated by the mutual written consent of the Parties.

11.2 Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the Stations abandoned, provided that Seller is not in default or breach in any material respect of its obligations under this Agreement, upon the occurrence of any of the following:

(a) Breach. If Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and any condition in Section 7 would not be satisfied by the date scheduled for Closing as a result of such breach or default by Buyer and such breach or default cannot be or has not been cured within thirty (30) calendar days following delivery of written notice thereof to Buyer (the "Cure Period"); provided, however, that the Cure Period shall not apply to the Buyer's obligation to pay the Closing Cash Payment at the Closing if all other conditions to the Closing have been satisfied;

(b) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date a final and non-appealable Judgment permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement; provided, however, that Seller may not terminate this Agreement pursuant to this 11.2(b), (i) unless Seller has used all commercially reasonable

efforts to oppose any such Judgment or to have such Judgment vacated or made inapplicable to the transactions contemplated by this Agreement, and (ii) if such Judgment resulted from Seller's material breach of or default in its obligations under this Agreement;

(c) [Failure to Obtain FCC Consent/ Designation for Hearing](#). If the FCC denies grant of the FCC Consent in an order which has become a Final Order or the FCC designates the Assignment Application for hearing;

(d) [Termination Date](#). If the Closing has not occurred on or prior to 5:00 p.m. Eastern time on July 1, 2012 (the "[Termination Date](#)"), unless otherwise agreed by the Parties hereto in writing; or

(e) [Damage to Assets](#). If Seller shall elect to exercise its termination right pursuant to Section 6.10, subject to Buyer's right to waive any applicable conditions to the Closing.

11.3 [Termination by Buyer](#). This Agreement may be terminated by Buyer and the purchase and sale of the Stations abandoned, provided that Buyer is not in default or breach in any material respect of its obligations under this Agreement, upon the occurrence of any of the following:

(a) [Breach](#). If Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and any condition in Section 8 would not be satisfied by the date scheduled for Closing as a result of such breach or default by Seller and such breach or default cannot be or has not been cured within thirty (30) calendar days following delivery of written notice thereof to Seller;

(b) [Judgments](#). If there shall be in effect on the date that would otherwise be the Closing Date a final and non-appealable Judgment permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement; provided, however, that Buyer may not terminate this Agreement pursuant to this 11.3(b), (i) unless Buyer has used all commercially reasonable efforts to oppose any such Judgment or to have such Judgment vacated or made inapplicable to the transactions contemplated by this Agreement, and (ii) if such Judgment resulted from Buyer's material breach of or default in its obligations under this Agreement.

(c) [Failure to Obtain FCC Consent/Designation for Hearing](#). If the FCC denies grant of the FCC Consent in an order which has become a Final Order or the FCC designates the Assignment Application for hearing; or

(d) [Termination Date](#). If the Closing has not occurred on or prior to 5:00 p.m. Eastern time on the Termination Date.

11.4 [Unsatisfied Conditions; Opportunity to Satisfy](#). If upon the initially scheduled Closing Date any of the conditions precedent to the obligations of either Party

set forth in Section 7 or 8 of this Agreement shall not have been materially satisfied, and the Party entitled to the benefit of such condition is unwilling to waive the satisfaction of such unsatisfied condition, then such Party shall provide the other Party with written notice specifying in reasonable detail the nature of such unsatisfied condition, whereupon the other Party shall have thirty (30) calendar days from the date of receipt of such notice to effect the satisfaction of such unsatisfied condition (but only if such condition is capable of being satisfied within such time period), and the Closing shall be postponed until a business day specified by such other Party with five day's written notice to the Party requiring the satisfaction of such condition, with such postponed Closing to occur within five (5) Business Days of the satisfaction of such condition and no later than five (5) Business Days after the thirtieth calendar day following the initially scheduled Closing Date. Notwithstanding the foregoing, no opportunity to cure shall be available to Buyer with respect to its obligation or ability to pay the Closing Cash Payment at the Closing, and the Closing Date shall only be subject to one postponement. If the unsatisfied condition is not satisfied in all material respects (or is not subject to such satisfaction) within such time period, then each Party shall be entitled to exercise its rights under Section 11 with this Section 11.4 having no further effect.

11.5 [Effect of Termination.](#)

(a) If this Agreement is terminated as provided herein, neither Seller nor Buyer, nor any of their respective shareholders, partners, members, directors, officers, employees, agents or Affiliates shall have any Liability to the other Party or any of its or their shareholders, partners, members, directors, officers, employees, agents or Affiliates pursuant to this Agreement, except as provided in Sections 11.5(b) and 11.5(c), and all filings, applications and other submissions relating to the transactions contemplated hereby as to which termination has occurred shall, to the extent practicable, be withdrawn from the Person to which or whom made.

(b) If this Agreement is terminated (i) pursuant to Section 11.2(c), 11.2(e), 11.3(a) or 11.3(c) or (ii) pursuant to Section 11.2(d) or 11.3(d), and at the time of termination pursuant to Section 11.2(d) or 11.3(d), all conditions in Sections 7 and 8 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions) have been satisfied other than the condition in Section 8.3, Section 8.4 or Section 8.6 (provided that, with respect to any termination under Sections 11.2(c), 11.2(d), 11.3(c) or 11.3(d), the failure to obtain the FCC Consent or the designation of the Assignment Application for hearing is not attributable to Buyer), then, in any such case, the Escrow Amount shall be paid to Buyer, and Buyer and Owner shall deliver joint written instructions to the Escrow Agent directing the Escrow Agent to release such amount to an account designated by Buyer. In all other cases of termination pursuant to this Section 11, the Escrow Amount shall be paid to Seller, and Buyer and Owner shall deliver joint written instructions to the Escrow Agent directing the Escrow Agent to release such amount to an account designated by Seller as liquidated damages (the "Liquidated Damages") and such Liquidated Damages shall, in the absence of fraud on the part of Buyer, be Seller's sole and exclusive remedy and shall be in lieu of any other remedies at law or in equity to which Seller might otherwise be entitled. The Parties hereto acknowledge and agree that the Liquidated

Damages are to be paid by Buyer to compensate Seller for such damages as liquidated damages, and that any and all amounts paid pursuant to this Section 11.5(b) represent liquidated damages and not a penalty.

(c) Notwithstanding the above, if either Seller or Buyer is in breach in any material respect of its obligations under this Agreement prior to the date of termination of this Agreement, then the other Party shall have the right to pursue all legal and equitable remedies for breach of contract or otherwise; provided, however, that Seller shall not be entitled to pursue monetary damages under this Section 11.5(c) to the extent that the Escrow Amount has been released to Seller under Section 11.5(b).

11.6 Attorneys' Fees. In the event of a default by either Party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

11.7 Surviving Obligations. The rights and obligations of the Parties described in Sections 6.5, 6.6 and 12, and this Section 11 shall survive any termination.

SECTION 12: MISCELLANEOUS

12.1 Notices. All notices, demands, requests and other communications that are required or permitted to be given under the provisions of this Agreement shall be (i) in writing, may be delivered by personal delivery, sent by commercial delivery service or certified mail, return receipt requested, (ii) deemed to have been given on the date of actual receipt, which may be presumptively evidenced by the date set forth in the records of any commercial delivery service or on the return receipt or sender's confirmation by phone of recipient's receipt, and (iii) addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this Section 12.1:

If to Buyer:

Woodward Communications, Inc.
Attn: Thomas A. Yunt, President and CEO
801 Bluff Street
Dubuque, Iowa 52001
Phone: 563-588-5787

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

Marissa G. Repp, Esq.
Repp Law Firm
1629 K Street, NW
Suite 300
Washington, D.C. 20006
Phone: 202-656-1619

If to Seller:

KXEL Broadcasting Company, Inc.
Attn: Russell J. Schwartz, Esq.
c/o Bahakel Communications, Ltd.
1 Television Place
Charlotte, NC 28205
Phone: 704-632-7244

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

Bahakel Communications, Ltd.
Attn: Louis Spitzer, Senior Vice President and CFO
1 Television Place
Charlotte, NC 28205
Phone: 704-632-7226

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

Dow Lohnes PLLC
Attn: M. Anne Swanson, Esq.
1200 New Hampshire Avenue, NW
Washington, D.C. 20036
Phone: 202-776-2534

In addition, the parties hereby agree that an electronic mail message sent to, and acknowledged by, each of/by any of: Thomas A. Yunt (email: tyunt@wcinet.com) and Greg Bell (email: gbell@wcinet.com) for Buyer and of/to Louis Spitzer (email: LSpitzer@bahakel.com) for Seller, as applicable, shall be effective in connection with any communication required under Section 5.1.

12.2 Expenses. Seller and Buyer shall share equally (i) the fees associated with filing the Assignment Application for the FCC Consent, (ii) any fees or expenses payable to the Escrow Agent under the Escrow Agreement and (iii) all sales, use, transfer, documentary and purchase taxes and fees, filing fees, and recordation fees applicable to the consummation of the transactions contemplated by this Agreement. Except as otherwise provided in this Agreement, Seller and Buyer shall each be liable for its own fees and expenses incurred in connection with the negotiation, preparation, execution or performance of this Agreement and the consummation of the transactions contemplated herein.

12.3 Choice of Law; Jurisdiction. This Agreement shall be construed, interpreted and the rights of the Parties determined in accordance with the laws of the State of Iowa, without giving effect to the principles of conflicts of law of such state. The Parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the U.S. District Court for the Northern District of Iowa, Eastern Division, or any state court located in the Dubuque area of Iowa over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby and each Party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action or proceeding related thereto may be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought

in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the Parties hereto hereby consents to process being served by any Party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 12.1.

12.4 [Waiver of Trial by Jury](#). EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

12.5 [Assignment](#). Neither this Agreement nor any of the rights or obligations hereunder may be assigned by Seller or Buyer without the prior written consent of the other Party hereto. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, and no other person shall have any right, benefit or obligation hereunder (other than the Parties' Affiliates and representatives under and in accordance with Section 10).

12.6 [Entire Agreement](#). This Agreement, all exhibits and schedules hereto, and all documents and certificates to be delivered by the Parties pursuant hereto, collectively represent the entire understanding and agreement between the Parties hereto with respect to the subject matter of this Agreement. All exhibits and schedules attached to this Agreement shall be deemed part of this Agreement and are incorporated herein, where applicable, as if fully set forth herein. This Agreement supersedes all prior negotiations, letters of intent or other writings between the Parties and their respective representatives with respect to the subject matter hereof. The rights and remedies provided in this Agreement shall be the exclusive rights and remedies available to the Parties hereto at law or in equity.

12.7 [Amendment; Waivers of Compliance; Consents](#). This Agreement may be amended at any time but only by an instrument in writing signed by each of the Parties hereto. Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. No investigation by or on behalf of Buyer shall constitute a waiver as to enforcement of any representation, warranty or condition contained herein, or a waiver as to any right of indemnification hereunder in accordance with this Agreement. Whenever this Agreement requires or permits consent by or on behalf of any Party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section.

12.8 [Severability](#). In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be

held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument and this Agreement shall be construed in a manner that, as nearly as possible, reflects the original intent of the Parties, provided that any such reform or construction does not affect the economic or legal substance of the transactions contemplated hereby in a manner adverse to any Party.

12.9 [Mutual Contribution](#). The Parties to this Agreement and their counsel have mutually contributed to its drafting and to the drafting of all other agreements referenced herein. Consequently, no provision of this Agreement (or any such agreement referenced herein) shall be construed against any Party on the ground that such Party drafted the provision or caused it to be drafted or the provision contains a covenant of such Party.

12.10 [No Third Party Beneficiary](#). This Agreement is made for the sole benefit of the Parties, and their respective successors, executors and permitted assigns, and nothing contained herein, express or implied, is intended to or shall confer upon any other Person any third party beneficiary right or any other legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement (except to the extent that certain third parties are expressly covered by the indemnity herein).

12.11 [Specific Performance](#). The Parties agree that money damages would not be a sufficient remedy for any breach of this Agreement by either Party, and that the non-breaching party would suffer irreparable harm as a result of any such breach. It is accordingly agreed that, prior to the termination of this Agreement pursuant to Section 11, the non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach or threatened breach. In the event of any action by either Party to enforce this Agreement, each Party hereto hereby waives the defense that there is an adequate remedy at law.

12.12 [Counterparts](#). This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument. For all intents and purposes delivery of counterpart signature pages may be effected via email of scanned, or facsimile transmission of, executed signature pages.

[END OF PAGE. SIGNATURES FOLLOW.]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date first above written.

BUYER:

WOODWARD COMMUNICATIONS, INC.

By: 
Thomas A Yunt, President & CEO

SELLER:

KXEL BROADCASTING COMPANY, INC.

By: _____
Beverly Poston, President

STAR CITY DEVELOPMENT COMPANY, INC.

By: _____
Beverly Poston, President

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date first above written.

BUYER:

WOODWARD COMMUNICATIONS, INC.

By: _____
Thomas A Yunt, President & CEO

SELLER:

KXEL BROADCASTING COMPANY, INC.

By: Beverly Poston
Beverly Poston, President

STAR CITY DEVELOPMENT COMPANY, INC.

By: Beverly Poston
Beverly Poston, President