

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "*Agreement*") is made as of this 14th day of January, 2004 ("*Effective Date*") by and among NextMedia Operating, Inc., a Delaware corporation ("*Operating*"), and NM Licensing LLC, a Delaware limited liability company ("*Licensing*", and, collectively with Operating, the "*Buyer*"), and Entravision Communications Corporation, a Delaware corporation (the "*Seller*").

RECITALS

A. Seller owns and operates radio station WZCH (FM), licensed to Dundee, Illinois (the "*Station*").

B. Seller owns or holds certain tangible and intangible assets used or useful in the operation and ownership of the Station, and Entravision Holdings, LLC, a California limited liability company and a wholly-owned, single-purpose subsidiary of Seller ("*Holdings*"), holds certain licenses, permits and authorizations issued by the Federal Communications Commission (the "*FCC*"), held for use in the operation and ownership of the Station.

C. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, certain assets used or held for use in the ownership and operation of the Station, and Buyer desires to purchase from Holdings, and Seller desires to cause Holdings to sell to Buyer, certain licenses, permits and authorizations issued by the FCC and held by Holdings for use in the operation and ownership of the Station.

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

1. PURCHASE AND SALE OF ASSETS**1.1 Assets to be Transferred.**

Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined), Seller shall (i) sell, transfer, convey, assign, and deliver to Buyer, and Buyer shall purchase and accept from Seller certain of the assets of Seller that relate to the ownership and operation of the Station, and (ii) cause Holdings to transfer, convey, assign, and deliver to Buyer, certain licenses, permits and authorizations issued by the FCC and held by Holdings for use in the operation and ownership of the Station, which Buyer shall accept from Holdings, in each case, together with all rights and privileges associated with such assets, including, without limitation, the following (collectively the "*Purchased Assets*"):

- (a) *Licenses.* The licenses, permits, and authorizations issued or granted by the FCC to Holdings for the operation of the Station or used in connection with the operation of the Station as listed on Schedule 1.1(a) attached hereto (the "*FCC Authorizations*"), and all other licenses, permits and authorizations issued to Seller by any other Governmental Entity in

connection with the ownership and operation of the Station as listed in Schedule 1.1(a) (collectively with the FCC Authorizations, the “*Licenses*”).

- (b) *Tangible Personal Property.* All items of tangible personal property and equipment owned, leased or held by Seller and used exclusively in connection with the ownership and operation of the Station, which items are described or listed in Schedule 1.1(b) attached hereto (collectively, the “*Personal Property*”).
- (c) *Owned Real Estate.* The real property owned by Seller together with all appurtenant easements thereunto, and all structures, fixtures and improvements located thereon, all of which are used primarily in connection with the business or operations of the Station and are more fully described in Schedule 1.1(c) hereto (collectively, “*Real Estate*”).
- (d) *Books and Records.* All of Seller’s rights in and to the public files, technical information and engineering data, filings with the FCC, and logs and records related to the operation of the Purchased Assets (excluding records related exclusively to any Excluded Asset (as hereinafter defined)) (collectively, the “*Books and Records*”).
- (e) *Station Contracts.* The contracts, leases, and other instruments listed on Schedule 1.1(e) attached hereto (collectively, the “*Assumed Contracts*”).

1.2 Excluded Assets.

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

- (a) Seller’s cash on hand as of the Closing and any of Seller’s interests in its bank accounts and all of Seller’s other cash, cash equivalents, security funds, securities, investments and deposits;
- (b) Any claims, rights and interests in and to any refunds of Taxes for periods prior to the Closing Date. For purposes of this Agreement, the terms “*Tax*” and “*Taxes*” shall mean all federal, state, local, or foreign income, payroll, Medicare, withholding, unemployment insurance, social security, sales, use, service, service use, leasing, leasing use, excise, franchise, gross receipts, value added, alternative or add-on minimum, estimated, occupation, real and personal property, stamp, duty, transfer, workers’ compensation, severance, windfall profits, environmental (including Taxes under Section 59A of the Internal Revenue Code of 1986, as amended (the “*Code*”)), or other tax, charge, fee, levy or assessment of the same or of a similar nature, including any interest, penalty, or addition thereto whether disputed or not;

- (c) Any accounts receivable for advertising broadcast on the Station up to and including the Closing Date, as further described in Section 7.9;
- (d) Seller's business name, all records relating to the Excluded Assets and to Seller's accounts payable and general ledger records, and Seller's books and records relating to Seller's internal corporate matters and financial relationships with Seller's lenders;
- (e) Any insurance policies and proceeds thereof, promissory notes, bonds, certificates of deposit or other similar items and cash surrender value in regard thereto;
- (f) Any of Seller's employees and representatives employed in connection with the operation of the Station;
- (g) Any pension, profit-sharing, or employee benefits plans;
- (h) All of Seller's Tax Returns and supporting materials, all original financial statements and supporting materials, all books and records that Seller is required by law to retain, and all records of Seller relating to the sale of the Purchased Assets. The term "*Tax Return*" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes or any amendment thereto, and including any schedule or attachment thereto;
- (i) Tangible personal property disposed of or consumed in the ordinary course of business of Seller consistent with past practice between the Effective Date and the Closing Date;
- (j) All contracts other than Assumed Contracts; or
- (k) Seller's studio building at 6012 South Pulaski Road, Chicago, Illinois (the "*Studio*") which is currently used in connection with the operation of the Station.

2. ASSUMPTION OF LIABILITIES

2.1 Liabilities to be Assumed.

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

2.2 Liabilities Not to be Assumed.

Notwithstanding anything contained in this Agreement to the contrary, Buyer does not assume or agree to pay, satisfy, discharge or perform, and will not be deemed by virtue

of the execution and delivery of this Agreement or any document delivered in connection with the execution of this Agreement, or as a result of the consummation of the transactions contemplated by this Agreement, to have assumed, or to have agreed to pay, satisfy, discharge or perform, any liability, obligation or responsibility, fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured of Seller other than the Assumed Liabilities.

3. PURCHASE PRICE – PAYMENT; ESCROW; LETTER OF CREDIT

3.1 Purchase Price.

The purchase price (the “*Purchase Price*”) for the Purchased Assets shall be FIVE MILLION DOLLARS (\$5,000,000).

3.2 Payment of Purchase Price.

At Closing, Buyer shall pay to Seller the Purchase Price in immediately available funds.

3.3 Allocation of Purchase Price.

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

3.4 Proration of Income and Expenses.

- (a) All income and expenses arising from the operations of the Purchased Assets shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles as of 11:59 p.m., local time, on the date immediately preceding the Closing Date. Seller shall be responsible for all liabilities and obligations incurred or accrued in connection with the operation of the Purchased Assets through 11:59 p.m., local time, of the date immediately preceding the Closing Date, and Buyer shall be responsible for all such liabilities and obligations incurred or accruing thereafter. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes (but excluding taxes arising by reason of the transfer of the Purchased Assets as contemplated hereby, which shall be paid as set forth in Section 7.5 of this Agreement), business and license fees, music and other license fees (including any retroactive adjustments thereof), insurance, utility expenses, telephone expenses, liabilities and obligations under all Assumed Contracts, time sales agreements, rents and similar prepaid and deferred items and all other income and expenses attributable to the ownership and operation of

the Purchased Assets. Real estate taxes shall be apportioned on the basis of taxes assessed for the preceding year, with a reapportionment as soon as the new tax rate and valuation can be ascertained.

- (b) Within sixty (60) days following the Closing Date, Buyer shall prepare and deliver to Seller a final closing proration statement (the "*Final Closing Proration Statement*") indicating the prorations as set forth above, together with copies of all work papers, schedules, and supporting documentation reasonably sufficient to allow Seller to verify the prorations prepared by Buyer. Within ten (10) days of receipt of the Final Closing Proration Statement, Seller shall either accept the prorations set forth in the Final Closing Proration Statement or give Buyer a notice of disagreement ("*Notice of Disagreement*"). If Seller fails either to accept the prorations set forth in the Final Closing Proration Statement or to give Buyer a Notice of Disagreement within ten (10) days of receipt of the Final Closing Proration Statement, then Seller shall be deemed to have accepted such prorations. The Notice of Disagreement shall state the amount of money Seller believes is due to or from Seller pursuant to the prorations set forth herein ("*Seller's Amount*"), and Buyer shall have ten (10) days to accept or reject Seller's Amount. If Buyer, acting in good faith, rejects Seller's Amount and the disputed amount is \$10,000 or less, such amount shall be divided equally between Buyer and Seller. If Buyer rejects Seller's Amount and the disputed amount is in excess of \$10,000, the dispute shall be submitted to an independent certified public accounting firm selected jointly by the parties for resolution of the dispute, such resolution to be final and binding upon the parties. Buyer and Seller agree to share equally the cost and expenses of such accounting firm. All amounts owed pursuant to this Section 3.4 shall be paid within ten (10) days of acceptance, failure to object or, if there is a dispute, resolution of the amount due. If such amount is not paid within such ten (10) day period, interest on such amount shall accrue until paid at 12% per annum, or if such amount is deemed usurious under Delaware law, at the maximum rate permitted under Delaware law.

3.5 Letter of Credit.

Within five (5) business days following the Effective Date, Buyer shall deliver to the Escrow Agent an irrevocable letter of credit in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) (the "*Letter of Credit*"). Notwithstanding the foregoing, Buyer may, in lieu of opening the Letter of Credit described above, deposit with Escrow Agent cash in an amount equal to Two Hundred Fifty Thousand Dollars (\$250,000). The broker listed on Schedule 4.7 shall serve as the Escrow Agent. The Escrow Agent shall hold and disburse the Letter of Credit, or the proceeds received by the Escrow Agent upon its presentment of the Letter of Credit, hereafter the "*Letter of Credit Proceeds*", or the cash deposited in lieu of the Letter of Credit, pursuant to this Agreement and the terms of the Escrow Agreement (the "*Escrow Agreement*") in the form previously agreed upon by the Buyer and Seller, which is being executed simultaneously with the execution and delivery of this Agreement.

4. REPRESENTATIONS AND WARRANTIES OF SELLER

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

4.1 Organization; Power.

Seller is a corporation validly existing and in good standing under the laws of the State of Delaware. Seller is qualified to conduct business in Illinois. Seller and Holdings have full power and authority to own, operate and lease the Purchased Assets and to carry on the business arising from the ownership and operation of the Purchased Assets as and where such is now being conducted and as proposed to be conducted by them. Seller has full power and authority to enter into this Agreement and the other documents and instruments to be executed and delivered by Seller pursuant hereto and to carry out the transactions contemplated hereby and thereby.

4.2 Authority.

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

4.3 No Violation.

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

4.4 Litigation.

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

4.5 Compliance With Laws and Orders.

- (a) *Compliance.* The Purchased Assets are in compliance in all material respects with all applicable laws and orders, including, without limitation, applicable environmental rules and regulations, the Communications Act of 1934, as amended ("*Communications Act*"), and the rules, orders and policies of the FCC. Neither Seller nor Holdings: (i) has received notice of any violation or alleged violation pertaining to the operation of the Purchased Assets, and (ii) to its knowledge after due inquiry, is subject to liability for past or continuing violations of any laws or orders pertaining to the operation of the Purchased Assets. All reports and returns pertaining to the operation of the Purchased Assets required to be filed by Seller with any court, administrative agency or commission or other governmental authority or instrumentality (collectively, "*Governmental Entity*") have been filed and were accurate and complete in all material respects when filed.
- (b) *Licenses and Permits.* The FCC Authorizations are validly issued in the name of Holdings. Holdings is in compliance in all material respects with the FCC Authorizations. Each of the FCC Authorizations is in full force and effect and all fees with respect to the FCC Authorizations have been paid. Neither Seller nor Holdings has received any notice of any violations of the terms of any of the FCC Authorizations, the Communications Act or the rules and regulations of the FCC thereunder that remain pending and unresolved. There is no action pending or, to the knowledge of Seller, threatened by or before the FCC which, if determined adversely to Holdings, would result in the revocation, cancellation, rescission or material and adverse modification of any of the FCC Authorizations other than proceedings to amend FCC rules of general applicability. All towers and other structures of Seller used in connection with the ownership and operation of the Station are obstruction marked and lighted to the extent required by, and in accordance with, the rules and regulations of the Federal Aviation Administration (the "*FAA*"), the FCC and other federal, state and local authorities and appropriate notifications to the FAA and registrations with the FCC have been filed for such towers where required.

4.6 Title to and Condition of the Purchased Assets.

- (a) Personal Property. At Closing, Seller shall have, and shall convey to Buyer, good and marketable title to all the items of Personal Property, free

and clear of all liens (statutory or otherwise), security interests, claims, pledges, licenses, equities, options, conditional sales contracts, assessments, levies, charges or encumbrances of any nature whatsoever except for (i) liens for Taxes not yet due and payable; (ii) rights reserved by any Governmental Entity to regulate the affected property; or (iii) as to leased assets, interests of the lessor thereof and liens affecting the interests of the lessors thereof. Except for the required consent of the FCC to the assignment of the FCC Authorizations by Holdings and the consents listed on Schedule 4.3, none of the Purchased Assets are subject to any restrictions with respect to the transferability thereof. The Purchased Assets are in good operating condition and repair, ordinary wear and tear excepted.

- (b) Real Estate. Seller has, and upon Closing, Buyer will have good, valid and marketable title to the Real Estate, free and clear of any liens, except the lien for property Taxes for the year 2003, which Taxes are not yet due and payable. As of the Closing Date, Buyer will own, or have a valid right to use, adequate routes of vehicular ingress and egress to, from and over any real property between public rights-of-way and all of the Real Estate as necessary to operate the Station. Schedule 1.1(c) lists the street address and legal descriptions of the Real Estate. By Closing, except for the Tax Default (as defined below) and except for property Taxes for the year 2003, which Taxes are not yet due and payable, all real estate Taxes, assessments and use charges pertaining to the Real Estate that have become due shall have been paid in full. Buyer acknowledges that the Real Estate has been previously tax sold to Conrad Gacki, LLC for delinquent Taxes (the "Tax Default"), but Seller represents that (i) the Real Estate may not be claimed, nor title thereto lost, as a result of such Tax Default, and (ii) the lien on the Real Estate created by the Tax Default can be remedied solely by the payment to Conrad Gacki, LLC (if requested by Conrad Gacki, LLC) of an amount equal to such delinquent Taxes plus accrued penalties and interest, in or before November, 2004. There are no eminent domain or condemnation proceedings pending, or, to Seller's knowledge, threatened against the Real Estate. No off-site facilities are necessary to ensure compliance by the Real Estate with any statutes, ordinances, codes and regulations, including without limitation, parking requirements. Seller has not received notice of any contemplated or pending change in the zoning classification or permitted use of any of the Real Estate or special assessments with respect to any such Real Estate. Seller owns a fee simple interest in all of the Real Estate, and there are no agreements with third parties that control or affect Seller's title or use of such Real Estate.

4.7 Broker Commission or Finder's Fees.

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

4.8 No Third Party Options.

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

4.9 Assumed Contracts.

Seller has delivered to Buyer true and complete copies of all written Assumed Contracts and true and complete memoranda of all oral Assumed Contracts, including any amendments or modifications. The Assumed Contracts constitute valid and binding obligations of Seller and are in full force and effect as of the date hereof. Except as set forth on Schedule 1.1(e), neither Seller nor, to Seller's knowledge, any other party thereto is in default under any of the Assumed Contracts. Seller has not received or given notice of any default thereunder from or to any of the other parties thereto. Except as disclosed on Schedule 4.3, Seller has all requisite power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement and such assignment will not affect the validity, enforceability or continuity of any such Assumed Contracts.

4.10 Environmental Matters.

- (a) The Station and any and all Real Estate is, and to Seller's knowledge with respect to any predecessor or prior owner, operator or lessee (each a "*Predecessor*") has been, in compliance, in all material respects, with all Environmental Laws (as defined in subsection (f) below);
- (b) No judicial or administrative proceedings are pending or, to the knowledge of Seller, threatened against Seller relating to the Station or the Real Estate, alleging the violation of, or seeking to impose liability on Seller pursuant to, any Environmental Law. Seller has not received any written notice, claim or other written communication from any Governmental Entity or other person alleging the violation of, or liability under, any Environmental Laws;
- (c) There are no facts, circumstances or conditions associated with the Station, the Real Estate or the business or operations thereon known to Seller that could reasonably be expected to result in the Station or the owner or operator of the Real Estate incurring material Environmental Costs and Liabilities (as defined in subsection (f) below);
- (d) All substances, materials or waste that are regulated by any federal, state or local government under the Environmental Laws as hazardous, toxic, pollutant, contaminant or words of similar meaning, including any

petroleum or petroleum derived product (collectively, "*Hazardous Substances*"), used or generated by Seller or to Seller's knowledge, by any Predecessor in connection with the ownership or operation of the Station or the Real Estate, have been stored, used, treated, and disposed of by such persons or on their behalf in such manner as not to result in any material Environmental Costs or Liabilities;

- (e) There are not now, nor have there been in the past, on, in or under any Real Estate when owned, leased or operated by Seller or, to Seller's knowledge, when owned, leased or operated by any Predecessor, any of the following: (i) underground storage tanks, above-ground storage tanks, dikes or impoundments containing Hazardous Substances, (ii) asbestos containing materials, (iii) polychlorinated biphenyls or related compounds (other than those labeled and maintained in accordance with applicable Environmental Laws), in each case, in amounts or concentrations regulated under the Environmental Laws or (iv) radioactive substances in amounts or concentrations regulated under the Environmental Laws; and
- (f) For purposes of this Agreement, the following terms shall have the following meanings: "*Environmental Laws*" shall mean all applicable federal, state and local laws, statutes, codes, rules, regulations, common law or other legal requirements relating to the environment, natural resources, and public or employee health and safety; "*Environmental Costs and Liabilities*" shall mean any losses, including environmental remediation costs, liabilities, obligations, damages, fines, penalties or judgments, arising from or under any Environmental Law or order of or agreement with any Governmental Entity or other person.

5. REPRESENTATIONS AND WARRANTIES OF BUYER

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

5.1 Organization and Corporate Power.

- (a) *Organization.* Operating is a corporation validly existing and in good standing under the laws of the State of Delaware and is qualified to conduct business in Illinois. Licensing is a limited liability company validly existing and in good standing under the laws of the State of Delaware and is qualified to do business in Illinois.
- (b) *Corporate Power.* Each Buyer has all requisite corporate or limited liability company power, as applicable, to enter into this Agreement and

the other documents and instruments to be executed and delivered by each Buyer and to carry out the transactions contemplated hereby and thereby.

5.2 Authority.

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

5.3 No Violation.

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

5.4 Qualification.

As of the Effective Date, Buyer is legally and otherwise qualified to be the assignee of the Licenses and, to Buyer's knowledge, no waiver is required by the FCC of Buyer for the consummation of the transactions contemplated hereby or the grant of the FCC Consent under the rules, regulations and policies of the FCC as in effect on the date hereof.

5.5 Broker or Finders Fee.

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

5.6 Financial Capability.

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

6. APPLICATIONS TO AND CONSENT BY FCC

6.1 FCC Consent.

Consummation of the transactions provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the FCC shall have issued its written consent to assignment of the FCC Authorizations following the filing of the Assignment Application (as defined below) without any condition materially adverse to Buyer (the “*FCC Consent*”). In the event that Seller is unable to procure the FCC Consent (or cause Holdings to do so), and such failure is not based on any action or inaction of the Buyer, Buyer may cancel the transaction and Buyer shall receive its Letter of Credit or Letter of Credit Proceeds, as applicable. As used herein, the “*Assignment Application*” shall mean the application or applications that Holdings and Licensing must file with the FCC requesting its consent to the assignment of the FCC Authorizations from Holdings to Licensing.

6.2 Assignment Application and Notice.

Within five (5) business days of execution of this Agreement, Buyer will prepare and deliver to Seller’s counsel the assignee’s portions of the Assignment Application. Seller shall use commercially reasonable efforts to cause the Assignment Application to be filed with the FCC as promptly as practicable, but in all events within five (5) business days after the receipt of the aforementioned materials from Buyer, including all information, data, exhibits, resolutions, statements and other materials required to be filed in connection with the Assignment Application. Seller shall, at its expense, give due notice of the filing of the Assignment Application by such means as may be required by the rules and regulations of the FCC; provided that Buyer shall deliver to Seller on the date the Assignment Application is filed with the FCC, the information relating to Buyer that is required to be included in such notice.

6.3 Mutual Covenant of Reasonable Cooperation.

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

6.4 Assignment Application Expenses and Fees.

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

6.5 Extension.

If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and neither party shall have terminated this Agreement pursuant to Article 13, the parties shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the exercise by either party of its right to terminate this Agreement pursuant to Article 13.

6.6 Pre-Closing Control.

Nothing in this Agreement shall confer any rights on the Buyer to control any aspect of the Station's programming or operations prior to the Closing. Seller shall have complete control in accordance with this Agreement over the programming and operations of the Station prior to the Closing Date.

7. **OTHER MATTERS**

7.1 Costs.

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

7.2 Preclosing Covenants.

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

- (a) shall conduct the operation of the Station in accordance with the Communications Act, the rules and regulations of the FCC, and all applicable laws and orders;
- (b) shall take commercially reasonable steps to not cause or permit the Licenses to expire or be surrendered or adversely modified, or take any action which would cause the FCC or any other Governmental Entity to institute proceeding for the suspension, revocation or adverse modification of any of the Licenses;
- (c) shall not, except for agreements relating to the sale of advertising on the Station for consideration in cash, incur any new debts, obligations or liabilities (absolute, accrued, contingent, or otherwise) that include obligations (monetary or otherwise) to be performed by Buyer after the Closing that exceed \$10,000 individually or \$20,000 in the aggregate; and
- (d) shall not enter into any new barter, trade or similar agreements or arrangements for the sale of advertising on the Station for consideration other than cash.

7.3 Risk of Loss.

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

7.4 Updating of Schedules.

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

7.5 Transfer Taxes and Similar Charges.

All recordation, transfer and documentary taxes and fees, stamps, and any excise, sales or use taxes, and all similar costs of transferring the Purchased Assets in accordance with this Agreement shall be borne by Seller. All such taxes and costs incurred by Buyer, if any, shall be reimbursed by Seller within fifteen (15) days after Seller's receipt of reasonably detailed information regarding such taxes and costs.

7.6 Bulk Sales Law.

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

7.7 Other Action.

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

7.8 Disclosure.

Buyer and Seller shall give prompt notice to the other party of any occurrence that comes to its attention that may constitute a misrepresentation, breach of warranty, or nonfulfillment of any covenant or condition on the part of Seller or Buyer contained in this Agreement.

7.9 Accounts Receivable.

All accounts receivable of Seller created before the Closing Date shall be and remain the sole property of Seller. All accounts receivable of Buyer created on or after the Closing Date shall be and shall remain the sole property of Buyer. The parties agree that Seller shall deliver a listing of its accounts receivable to Buyer on the Closing Date as Schedule 7.9 ("Seller's AR"). For a period of one hundred eighty (180) days following the Closing Date, Buyer will promptly forward to Seller, at its address set forth in Section 15.8, any amounts

received by Buyer that are clearly identifiable as Seller's AR. To the extent that any amount received by Buyer is not clearly identifiable as either, part of Seller's AR or an amount due to Buyer as a result of Buyer's operation of the Station from and after the Closing Date, Buyer and Seller agree that they shall each use their commercially reasonable efforts, acting in good faith, to work together in order to determine the proper payee of such amount. Notwithstanding the foregoing, Buyer shall not be required to (i) actively collect any of Seller's AR, (ii) institute any legal proceedings to enforce the collection of any Seller's AR, or (iii) refer any of the Seller's AR to a collection agency. Buyer shall incur no liability to Seller for any uncollected Seller's AR.

7.10 Condition of Real Estate, Studies.

Buyer may, at its sole expense, conduct environmental studies, title examinations, and land surveys (the "*Studies*") of the Real Estate provided all information received as a result of, or in the course of, any of the Studies will be deemed confidential and subject to Section 15.9. Seller agrees to cooperate with any reasonable request of Buyer for a site assessment or site review concerning any environmental, title or survey matter, including making available any personnel of Seller as Buyer may reasonably request, so long as such activities do not unreasonably interfere with the conduct of Seller's business. At the discretion of Buyer, Buyer may arrange, at its sole expense, for one or more independent contractors to conduct tests of the Real Estate, including tests of air, soil (including surface and subsurface materials), surface water and ground water, or any equipment or facilities located thereon, in order determine the condition thereof or to identify the presence of or any present or past release or threatened release of any Hazardous Substances. Tests may be done at any time, or from time to time, upon reasonable notice and under reasonable conditions, which do not impede the performance of such tests, so long as such activities do not unreasonably interfere with the conduct of Seller's business. Seller shall have delivered to Buyer true and complete legal descriptions of all land comprising the Real Estate, and Buyer shall have had adequate and reasonable time following receipt of said legal descriptions to have a title company issue a title commitment for Buyer on such Real Estate and to obtain an ALTA land survey of the Real Estate, in any event not less than four (4) weeks. The Buyer shall have completed its review of, and been satisfied with the condition of the Real Estate tower and title thereto as shown in the title commitment and survey. If Buyer notifies Seller within the later to occur of (a) 7 days after receipt of the title commitment and the survey, or (b) 45 days of the date of this Agreement (the "*Buyer Notice*") that the Studies disclose potential Environmental Costs and Liabilities in excess of \$15,000, or the presence of Hazardous Materials at concentrations exceeding those allowed by Environmental Laws or which would cause the owner or operator thereof to incur liability, or the presence of encroachments, rights of third parties, conditions of the land or easements comprising the Real Estate, or other matters discussed by any of the Studies or title commitment or survey, that adversely affect the use (for the purpose currently used) of the Real Estate or the tower located thereon, or any other matters that adversely affect the title, current use value or use of the Real Estate or the tower located thereon, Seller shall promptly commence remedial action at its expense to cure the condition giving rise to such matter and attempt to cure such condition prior to the Closing; provided that Seller shall not be obligated to spend (but may choose to spend) more than \$250,000 in the aggregate in its attempts to cure all such conditions. Seller shall notify Buyer within 10 days after its receipt of the Buyer Notice if it determines that it is unable to cure such conditions for \$250,000 or less and chooses not to attempt to cure such conditions,

in which case Buyer may elect (i) to terminate this Agreement or (ii) to waive such obligations and receive a \$250,000 reduction in the Purchase Price at the Closing. If this Agreement is terminated in accordance with the immediately preceding sentence, no party shall have any liability to the other with respect to such termination.

7.11 Obligation to Locate Replacement Buyer.

Buyer acknowledges and agrees that if Seller is unable to procure, or cause Holdings to procure, the FCC Consent because Buyer is prohibited from acquiring the Station by applicable law or otherwise, then Buyer shall (i) use its commercially reasonable efforts, acting in good faith, to promptly locate a replacement buyer to acquire the Purchased Assets on the terms and conditions contained in this Agreement following the filing of all necessary consent applications with the FCC and the receipt of Public Notice by the replacement buyer and Seller, and (ii) promptly increase the Letter of Credit, or the cash deposited in lieu of the Letter of Credit, to One Million Five Hundred Thousand Dollars (\$1,500,000).

8. COVENANTS OF SELLER

Seller covenants and agrees as follows:

8.1 Conduct of Business Pending the Closing.

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

- (a) *Operation of the Station.* Seller shall operate the Station in the ordinary course of business consistent with past practice, and shall take such commercially reasonable steps as may be advisable to maintain, preserve, renew and keep in force and effect the FCC authorizations.
- (b) *Real Estate.* Seller shall use and repair the Real Estate and use, repair, and, if necessary, replace the Station's tower and related fixtures and improvements in a reasonable manner consistent with historical practice and maintain such assets in substantially their current condition, ordinary wear and tear excepted.
- (c) *No Breach.* Seller shall not take or fail to take, or permit any act or failure to act, which may cause a breach of any commitment or obligation, or a breach of any representation, warranty, covenant or agreement made by Seller herein.

- (d) *No Negotiations.* Seller shall not directly or indirectly (through a representative or otherwise) solicit or furnish any information to any prospective buyer, commence, or conduct presently ongoing, discussions or negotiations with any other party or enter into any agreement with any other party concerning the sale of the Purchased Assets or any part thereof (an “*acquisition proposal*”), and Seller shall immediately advise Buyer of the receipt of any written acquisition proposal.

8.2 Consents.

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

8.3 Access to Facilities, Files and Records.

At the request of Buyer, Seller shall from time to time give or cause to be given to the officers, employees, accountants, counsel, agents, consultants (including environmental consultants) and representatives of Buyer: reasonable access during normal business hours to (a) all equipment, machinery, fixtures, furniture and documentation that represents a part of the Purchased Assets; and (b) all such other information concerning the Purchased Assets as Buyer may reasonably request. Any investigation or examination by Buyer shall not in any way diminish or obviate any representations or warranties of Seller made in this Agreement or in connection herewith. Seller shall cause its accountants and any agent of Seller in possession of Seller’s books and records to cooperate with Buyer’s requests for information pursuant to this Agreement.

8.4 FCC Cooperation.

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

8.5 Financial Statements.

Seller shall provide unaudited financial statements related to its operation of the Station as may be reasonably requested by Buyer to the extent that such information is available and in the form in which such information is available. Notwithstanding the foregoing, Seller shall provide such information to Buyer without any representation or warranty as to its accuracy or otherwise. Except as set forth in Section 8.6, Seller shall not be obligated to prepare any financial statements which are not readily available or to incur any expenses in connection with providing the information referenced in this Section 8.5.

8.6 Financial Information.

At all times after the date hereof, Seller shall, and shall cause all of Seller’s representatives (including their independent public accountants) to, cooperate in all reasonable

respects with the efforts of Buyer and Buyer's independent auditors to prepare such audited and interim unaudited financial statements for the Station as Buyer may reasonably determine are necessary in connection with any filing required to be made by it or any of its Affiliates under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended. Seller shall use commercially reasonable efforts to cause its independent public accountants to make available to Buyer and its representatives all of their work papers related to the financial statements or Tax Returns of Seller (to the extent they relate to the Station) and to provide Buyer's independent public accountants with full access to those personnel who previously have been involved in the audit or review of Seller's financial statements or Tax Returns, subject to any limitations imposed by Seller's independent accountants. Any reasonable out-of-pocket costs incurred by Seller in connection with Seller's obligations under this Section 8.6 shall be reimbursed by Buyer within fifteen (15) days after Buyer's receipt of reasonably detailed information regarding such costs.

8.7 Temporary Use of Studio.

For a period of thirty (30) days after the Closing Date, Buyer may operate the Station from the Studio, subject to, at all times, the usage needs of Seller in the ownership and operation of Seller's business. During such time period, Buyer's employees shall be granted access to the Station's studios during regular operating hours, and Buyer and Seller shall cooperate to allow Buyer access to such premises in the event of emergencies outside regular operating hours. No amount shall be charged for such temporary use, the consideration for which is included in the Purchase Price. Seller shall have no liability for injury or property damage caused by Buyer's employees, and may refuse access to Buyer's employees unless and until Buyer can demonstrate liability and casualty insurance in appropriate amounts naming Seller as an additional insured. Buyer shall indemnify, defend and hold harmless Seller and Seller's Affiliates from and against all Claims asserted against, imposed upon or incurred by Seller or Seller's Affiliates, directly or indirectly, by reason of or resulting from Buyer's use of the Studio.

9. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

Each and every obligation of Buyer to be performed on the Closing Date shall be subject to the satisfaction prior to, or at the Closing, of each of the following conditions, any of which may be waived in writing by the Buyer:

9.1 Representations and Warranties True on the Closing Date.

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

9.2 Compliance With Agreement.

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

9.3 Absence of Litigation.

No litigation shall have been commenced or threatened, and to Seller's knowledge no investigation by any Governmental Entity shall have been commenced, against Buyer, Seller or any of the affiliates, officers, members or shareholders of any of them, with respect to, or which could have an adverse impact on the transactions contemplated hereby.

9.4 Consents and Approvals.

The FCC Consent shall have been received, and such FCC Consent shall have been announced in a Public Notice issued by the FCC.

9.5 Closing Certificates.

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

10. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

Each and every obligation of Seller to be performed on the Closing Date shall be subject to the satisfaction prior to, or at the Closing, of the following conditions, any of which may be waived in writing by the Seller:

10.1 Representations and Warranties True on the Closing Date.

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

10.2 Compliance With Agreement.

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

10.3 Consents and Approvals.

The FCC Consent shall have been received, and such FCC Consent shall have been announced in a Public Notice issued by the FCC.

10.4 Closing Certificates.

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

10.5 Absence of Litigation.

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

10.6 Disposition of Other Stations.

Prior to or simultaneously with the Closing, Seller shall have closed one or more transactions with third parties, for the sale of its ownership in radio station WRZA (FM) licensed to Park Forest, Illinois, and radio station WNDZ (AM) licensed to Portage, Indiana.

11. INDEMNIFICATION

11.1 By Seller.

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

- (a) the inaccuracy or breach of any representation or warranty of Seller contained in or made pursuant to this Agreement; provided that any claim for indemnification made by Buyer pursuant to this Section 11.1(a) must be made within the time period described in Article 14 of this Agreement;
- (b) the breach of any covenant of Seller contained in this Agreement;
- (c) any Claim brought by or on behalf of any broker or finder retained, employed or used by Seller or any of its directors, officers, employees, members or agents in connection with the transactions provided for herein or the negotiation thereof, whether or not disclosed herein;
- (d) any Claim relating to the conduct of the operations of the Station prior to the Closing Date including, without limitation, any liabilities arising under

the FCC Authorizations which relate to events occurring prior to the Closing Date;

- (e) any Claim made against Buyer as a result of a failure to comply with any bulk sales or fraudulent conveyance statute; or
- (f) the Tax Default.

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

Notwithstanding anything to the contrary contained in this Agreement and except with respect to fraud, (i) the rights of Buyer to indemnification under this Article 11 shall constitute the sole and exclusive remedy of Buyer for any breach by Seller of any provision of this Agreement and (ii) no claim may be asserted nor any action commenced against Seller for indemnification under this Section 11.1 unless a written Indemnification Notice with respect to the subject matter of such Claim or action is received by the Seller on or prior to the date on which the representation, warranty, covenant or agreement on which such Claim or action is based ceases to survive as expressly set forth in Article 14, regardless of whether the subject matter of such Claim or action shall have occurred before such date; provided, however, that Buyer may pursue specific performance and other equitable remedies for any matter that is indemnifiable under Section 11.1(b) or as specified in Section 15.5.

11.2 By Buyer.

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

- (a) the inaccuracy or breach of any representation or warranty of Buyer contained in or made pursuant to this Agreement, provided that any claim for indemnification made by Seller pursuant to this Section 11.2(a) must be made within the time period described in Article 14 of this Agreement;
- (b) the breach of any covenant of Buyer contained in this Agreement;
- (c) any Claim brought by or on behalf of any broker or finder retained, employed or used by Buyer or any of its directors, officers, employees, members or agents in connection with the transactions provided for herein or the negotiation thereof, whether or not disclosed herein; or
- (d) any Claim relating to the ownership or operation of the Purchased Assets arising solely from events that occurred on or after the Closing Date including, without limitation, any Liabilities arising under the FCC

Authorizations which relate to events occurring on or after the Closing Date.

Notwithstanding anything to the contrary contained in this Agreement and except with respect to fraud, (i) the rights of Seller to indemnification under this Article 11 shall constitute the sole and exclusive remedy of Seller for any breach by the Buyer of any provision of this Agreement and (ii) no claim may be asserted nor any action commenced against the Buyer for indemnification under this Section 11.2 unless a written Indemnification Notice (as defined below) with respect to the subject matter of such Claim or action is received by the Buyer on or prior to the date on which the representation, warranty, covenant or agreement on which such Claim or action is based expressly ceases to survive as set forth in Article 14, regardless of whether the subject matter of such Claim or action shall have occurred before such date; provided, however, that Seller may pursue specific performance and other equitable remedies for any matter that is indemnifiable under Section 11.2(b).

11.3 Indemnification of Third-Party Claims.

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

- (a) *Notice and Defense.* The party or parties to be indemnified (whether one or more, the “*Indemnified Party*”) will give the party from whom indemnification is sought (the “*Indemnifying Party*”) prompt written notice of any such Claim, and the Indemnifying Party may undertake the defense thereof by representatives chosen by it. Failure to give such notice shall not affect the Indemnifying Party’s duty or obligations under this Article 11, except to the extent the Indemnifying Party is prejudiced thereby. So long as the Indemnifying Party is defending any such Claim actively and in good faith, the Indemnified Party shall not settle such Claim. The Indemnified Party shall make available to the Indemnifying Party or its representatives all records and other materials required by them and in the possession or under the control of the Indemnified Party, for the use of the Indemnifying Party and its representatives in defending any such Claim, and shall in other respects give reasonable cooperation in such defense. The Indemnified Party or the Indemnifying Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim which the other is defending as provided in this Agreement.
- (b) *Failure to Defend.* If the Indemnifying Party, within a reasonable time after notice of any such Claim, decides not to defend such Claim actively and in good faith, the Indemnified Party will (upon further notice) have the right to undertake the defense, compromise or settlement of such Claim or consent to the entry of a judgment with respect to such Claim, on behalf of and for the account and risk of the Indemnifying Party, and the Indemnifying Party shall thereafter have no right to challenge the

Indemnified Party's defense, compromise, settlement or consent to judgment.

- (c) *Indemnified Party's Rights.* Anything in this Article 11 to the contrary notwithstanding, (i) if there is a reasonable probability that a Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right to defend, compromise or settle such Claim, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise any Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect of such Claim.

11.4 Payment.

The Indemnifying Party shall promptly pay the Indemnified Party any amount due under this Article 11. Upon judgment, determination, settlement or compromise of any third party Claim, the Indemnifying Party shall pay promptly on behalf of the Indemnified Party, and/or to the Indemnified Party in reimbursement of any amount theretofore required to be paid by it, the amount so determined by judgment, determination, settlement or compromise and all other Claims of the Indemnified Party with respect thereto, unless in the case of a judgment, an appeal is made from the judgment. If the Indemnifying Party desires to appeal from an adverse judgment, then the Indemnifying Party shall post and pay the cost of the security or bond to stay execution of the judgment pending appeal. Upon payment in full of any indemnification Claim or the payment of any judgment or settlement with respect to a Third Party Claim, the Indemnifying Party shall be subrogated to the extent of such payment to the rights of the Indemnified Party against any person or entity with respect to the subject matter of such indemnification Claim or Third Party Claim. The Indemnified Party shall assign or otherwise cooperate with the Indemnifying Party, at the cost and expense of the Indemnifying Party, to pursue any claims against, or otherwise recover amounts from, any person liable or responsible for any Claim for which indemnification has been received pursuant to this Agreement

11.5 Limits on Indemnity.

Notwithstanding any other provision hereof or of any applicable law, neither party will be entitled to make a claim against the other party under Sections 11.1(a) or 11.2(a) for any breach of a representation and warranty unless and until the aggregate amount of claimed losses exceeds Twenty-Five Thousand Dollars (\$25,000) (the "*Deductible*"), in which event the party seeking indemnification will be entitled to make a claim against the other party for the amount in excess of the Deductible. Notwithstanding the foregoing, the aggregate amount of claims that may be asserted for indemnification hereunder shall in no event exceed Five Hundred Thousand Dollars (\$500,000). Notwithstanding the foregoing, in no event shall there be a limitation on, nor shall the Deductible apply to, claims arising from fraud.

12. CLOSING

12.1 Closing.

The closing of this transaction (the “*Closing*”) shall take place no later than the fifteenth (15th) day after the date the FCC Consent shall have been announced in a Public Notice issued by the FCC, or on such other date to which the parties mutually agree (the “*Closing Date*”). The Closing shall be conducted by exchange of documents by facsimile, electronically, and overnight carrier or such other means as the parties mutually agree.

12.2 Documents to be Delivered by Seller.

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

- (a) *Compliance Certificate.* The certificate described in Section 9.5 of this Agreement.
- (b) *Assignment of FCC Authorizations.* An assignment of FCC Authorizations reasonably sufficient in the opinion of Buyer and its counsel to assign the FCC Authorizations to Buyer.
- (c) *Resolutions.* A certificate or certificates of the Secretary of Seller
 - (i) certifying that the board of directors of Seller duly authorized and approved this Agreement and the transactions contemplated hereby, and
 - (ii) certifying that the board of directors of Holdings duly authorized and approved the sale and transfer of the FCC Authorizations to Licensing.
- (d) *Good Standing Certificates.* Good standing certificates from Delaware and Illinois for Seller.
- (e) *Transfer Documents.* Such bills of sale, assignments, general warranty deeds and other good and sufficient instruments of transfer as Buyer may reasonably request in order to convey and transfer to Buyer title to the Purchased Assets in form and substance suitable for recording the property records of all counties where the Real Estate is located, if applicable.
- (f) *Title Policy.* At Seller’s expense, a standard ALTA owner’s policy of title insurance to Buyer issued by Chicago Title Insurance Company in the amount of the value of the Real Estate being purchased by Buyer hereunder, subject to standard exceptions, with the Tax Default “insured over” or endorsed by the title company at Seller’s expense.
- (g) *Ancillary Real Estate Documents.* A Seller’s affidavit and gap indemnity and such other documents requested by the title company providing title insurance to Buyer (provided the execution and delivery of such documents is at no additional cost to Seller), including without limitation, an affidavit of non-foreign status that complies with Section 1445 of the

Code, in form and substance standard for real estate purchases. A Tax affidavit or similar document requested for transfers of Real Property in the State of Illinois and any releases or terminations required to deliver title to the Real Estate and the tower located thereon in the condition required in Section 4.6.

- (h) *Other Documents.* All other documents, instruments or writings required to be delivered to Buyer at or prior to the Closing pursuant to this Agreement as Buyer may reasonably request.

12.3 Documents to be Delivered by Buyer.

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

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

13. TERMINATION

13.1 Right of Termination Without Breach.

This Agreement may be terminated without further liability of any party and the Letter of Credit, Letter of Credit Proceeds, or the cash deposited in lieu thereof, as applicable, shall be returned to Buyer at any time prior to the Closing:

- (a) by mutual written agreement of Buyer and Seller,
- (b) by either Buyer or Seller, if the FCC Consent has not been announced in a Public Notice issued by the FCC on or before the date which is five hundred forty (540) days from the date on which the Assignment Application is accepted for filing by the FCC, provided the terminating party has not, through breach of a representation, warranty or covenant, prevented the issuance of such Order from occurring on or before such date,

- (c) by either Buyer or Seller, if either Buyer or Seller is required to take any action to obtain the FCC Consent that would have a material adverse effect on the operation of such party's business,
- (d) by Buyer, in accordance with Section 7.10, or
- (e) by Buyer, 90 days following the date that Buyer has provided notice to Seller that Buyer is able to comply, in all material respects, with all of its agreements and obligations under this Agreement which are to be performed or complied with by Buyer prior to, or on, the Closing Date, if, at such time, the parties are unable to consummate the Closing because Seller's condition in Section 10.6 has not been satisfied or waived by Seller.

13.2 Termination for Breach.

- (a) *Termination by Buyer.* If (i) Seller has failed to cure any material violation or breach of any of its agreements, representations or warranties contained in this Agreement within thirty (30) days after delivery of written notice of such violation or breach from Buyer, or (ii) there has been a failure of satisfaction of a condition to the obligations of Buyer which has not been waived by Buyer (and such failure has not been caused by an act or failure to act by Buyer), then Buyer, by written notice to Seller at any time prior to the Closing that such violation, breach or failure is continuing, may terminate this Agreement.
- (b) *Termination by Seller.* If (i) Buyer has failed to cure any material violation or breach of any of its agreements, representations or warranties contained in this Agreement within thirty (30) days after delivery of written notice of such violation or breach from Seller, or (ii) there has been a failure of satisfaction of a condition to the obligations of Seller which has not been waived by Seller, other than a failure of the condition contained in Section 10.6 of this Agreement, (and such failure has not been caused by an act or failure to act by Seller), then Seller, by written notice to Buyer at any time prior to the Closing that such violation, breach or failure is continuing, may terminate this Agreement.

13.3 Effect of Termination. If this Agreement is validly terminated pursuant to Sections 13.1 or 13.2, this Agreement shall become null and void and all further obligations of the parties under this Agreement shall terminate and there shall be no liability on the part of any party hereto, except as set forth in Section 13.4; provided, however, that the termination of this Agreement shall not relieve any party for liabilities arising from a knowing and willful breach of this Agreement.

13.4 Forfeiture of the Letter of Credit Proceeds/Cash Deposited In Lieu Thereof. The Escrow Agent shall either present the Letter of Credit for payment in accordance with its terms and deliver the Letter of Credit Proceeds to Seller, or deliver the cash deposited in lieu thereof to

Seller, as applicable, as liquidated damages only upon the occurrence of all of the following events: (i) this Agreement is validly terminated by Seller pursuant to Section 13.2(b); (ii) the Seller is not then in material default or breach of this Agreement; and (iii) the conditions set forth in Sections 7.10, 9.1, 9.2, 9.3, 9.5, and 10.6 are able to be satisfied as of the time of such termination. The Escrow Agent shall deliver the Letter of Credit, or the cash deposited in lieu thereof, as applicable, to Buyer, if this Agreement is validly terminated by Buyer pursuant to Section 13.2(a). The delivery of the Letter of Credit Proceeds or the cash deposited in lieu thereof to Seller, as applicable, pursuant to this Section 13.4, shall constitute liquidated damages and shall be the sole and exclusive remedy of Seller for any and all damages arising under or in connection with a termination of this Agreement.

14. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations and warranties of Seller and Buyer contained in this Agreement shall survive for one (1) year after the Closing Date. All covenants and other agreements herein shall survive indefinitely unless otherwise specified herein.

15. MISCELLANEOUS

15.1 Further Assurances.

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

15.2 Disclosures and Announcements.

Both the timing and the content of all disclosure to third parties and public announcements concerning the transactions provided for in this Agreement by either Seller or Buyer shall be subject to the approval of the other party in all material respects, except that neither party's approval shall be required as to any statements and other information which either party may submit to the FCC, the Securities and Exchange Commission or the New York Stock Exchange, or be required (or, in such disclosing party's discretion, advisable) to make pursuant to any rule or regulation of the FCC, the Securities and Exchange Commission or the New York Stock Exchange, or otherwise as required by law; provided that in each case, to the extent reasonably practicable, such disclosing party shall provide the other party with prior written notice of such obligation.

15.3 Assignment; Parties in Interest.

Nothing in this Agreement shall limit Buyer's ability to assign its obligations hereunder to any party without the consent of Seller, in order to enable Buyer or such third party assignee to consummate the transactions contemplated hereby; provided, however, that any such assignment shall not relieve Buyer of its obligations under the terms and conditions of this Agreement. In addition, nothing in this Agreement shall limit Buyer's and Seller's ability to sell or transfer any or all of its assets (whether by sale of stock or assets, or by merger, consolidation or otherwise) to any third party without the consent of the other party hereto. In the event of such an assignment, the provisions of this Agreement shall inure to the benefit of, and be binding on, Buyer's or Seller's successors and assigns, as applicable.

15.4 No Third Party Rights.

Nothing in this Agreement, express or implied, shall be construed to confer upon any person, other than the parties hereto, their successors and permitted assigns, any legal or equitable rights, remedies, claims, obligations or liabilities under or by reason of this Agreement.

15.5 Equitable Relief.

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

15.6 Law Governing Agreement.

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

15.7 Amendment and Modification.

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

15.8 Notice.

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

(a) If to Seller to:

Entravision Communications Corporation
2425 Olympic Boulevard, Suite 6000 West
Santa Monica, California 90404
Attention: Walter F. Ulloa
Facsimile: (310) 447-3899

(with a copy to)

Entravision Communications Corporation
2425 Olympic Boulevard, Suite 6000 West
Santa Monica, California 90404
Attention: Michael G. Rowles, Esq.
Facsimile: (310) 449-1306

(only for purposes of Seller's AR)

Entravision Communications Corporation
2425 Olympic Boulevard, Suite 6000 West
Santa Monica, California 90404
Attention: RaeAnn Mosley

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

(b) If to Buyer to:

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

(with a copy to)

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

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

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden

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

15.9 Confidentiality.

Any and all information, disclosures, knowledge or facts regarding Buyer or Seller or their respective businesses or properties to which the other party is exposed as a result of the negotiation, preparation or performance of this Agreement, including any Studies, shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except for the other party's employees, representatives, title company, surveyors, engineers, consultants, attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys, on a need-to-know basis for the purpose of consummating the transactions contemplated by this Agreement. Notwithstanding the foregoing, no party shall be required to keep confidential information that (a) is in the public domain, (b) is required to be disclosed pursuant to an order or request of a Governmental Entity (provided the non-disclosing party is given reasonable prior notice such that it may seek, at its expense, confidential treatment of the information to be disclosed), or (c) is required to be disclosed under applicable law or rule, as reasonably determined by counsel for the receiving party. Notwithstanding anything to the contrary set forth herein or in any other agreement to which the parties hereto are parties or by which they are bound, the obligations of confidentiality contained herein and therein, as they relate to the transactions contemplated in this Agreement, shall not apply to the tax structure or tax treatment of such transactions, and each party hereto (and any employee, representative or agent of any party hereto) may disclose to any and all persons, without limitation of any kind, the tax structure and tax treatment of such transactions. The preceding sentence is intended to cause such transactions not to be treated as having been offered under conditions of confidentiality for purposes of Section 1.6011-4(b)(3) (or any successor provision) of the Treasury Regulations promulgated under Section 6011 of the Code, and shall be construed in a manner consistent with such purpose. In addition, each party hereto acknowledges that it has no proprietary or exclusive rights to the tax structure of such transactions or any tax matter or tax idea related to such transactions.

15.10 Entire Agreement.

This Agreement, the Escrow Agreement and the additional written agreements entered into by the parties hereto in connection with the consummation of the transactions contemplated hereby, embody the entire agreement between the parties hereto and supersede all prior oral or written agreements, understandings, representations and warranties and courses of conduct and dealing between the parties with respect to the transactions contemplated herein.

15.11 Counterparts.

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

15.12 Headings.

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

15.13 Severability.

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

15.14 Attorneys' Fees.

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

15.15 Counsel.

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

15.16 Schedules.

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

[Signature Page Follows]

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

SELLER:

**ENTRAVISION COMMUNICATIONS
CORPORATION**

By: _____
Name: Walter F. Ulloa
Title: Chairman and Chief Executive Officer

BUYER:

NEXTMEDIA OPERATING, INC.

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

NM LICENSING LLC

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

[SCHEDULES TO BE ATTACHED WHEN FINALIZED]

ESCROW AGREEMENT

This Escrow Agreement ("*Agreement*") made and entered into this 14th day of January, 2004, is by and among Entravision Communications Corporation, a Delaware corporation ("*Seller*"), NextMedia Operating, Inc., a Delaware corporation ("*Operating*"), NM Licensing LLC, a Delaware limited liability company ("*Licensing*", and together with Operating, "*Buyer*"), and Media Venture Partners, Ltd. ("*Escrow Agent*"). Capitalized terms used herein but not otherwise defined herein shall have the meanings given such terms in the Purchase Agreement (as hereinafter defined).

Recitals

A. Buyer and Seller are parties to that certain Asset Purchase Agreement of even date herewith for the purchase and sale of certain of the assets of Seller that relate to the ownership and operation of radio station WZCH (FM) located in Dundee, Illinois (the "*Purchase Agreement*").

B. The Purchase Agreement provides that Buyer shall deposit with Escrow Agent an irrevocable letter of credit, or cash in the principal amount of Two Hundred Fifty Thousand Dollars (\$250,000), which may be increased to up to One Million Five Hundred Thousand Dollars (\$1,500,000) according to certain terms and conditions set forth therein (the "*Escrow Deposit*"), to be held by Escrow Agent pending the consummation of the transactions contemplated by, or termination of, the Purchase Agreement.

C. Escrow Agent has agreed to accept, hold and disburse the Escrow Deposit in accordance with this Agreement.

NOW, THEREFORE, in consideration of the above and of the promises contained herein, the parties, intending to be bound legally, agree as follows:

1. Escrow Deposit.

(a) Letter of Credit Escrow. Pursuant to Section 3.5 of the Purchase Agreement, within five (5) business days following the execution and delivery of the Purchase Agreement, Buyer shall deliver to Escrow Agent (with a copy to Seller) a duly executed irrevocable letter of credit in the amount of the Escrow Deposit in form and substance mutually acceptable to Buyer and Seller (the "*Letter of Credit*"). The parties acknowledge and agree that the initial Letter of Credit shall remain in effect for Five Hundred and Forty (540) days following the date hereof, unless earlier terminated in accordance with the provisions hereof. Notwithstanding the foregoing, Buyer may, in lieu of opening the Letter of Credit described above, deposit with Escrow Agent cash in an amount equal to the Escrow Deposit, and Escrow Agent shall be entitled to hold any such funds pursuant to the terms and conditions of this Agreement.

(b) Acceptance of Appointment as Escrow Agent. Escrow Agent, by executing this Agreement, hereby accepts its appointment as escrow agent with

respect to the Escrow Deposit and agrees to hold and to deliver the Escrow Deposit in accordance with the terms and conditions of this Agreement.

(c) Replacement of Letter of Credit. If the Letter of Credit (or any renewals or replacements thereof as provided herein) will expire while it is held by Escrow Agent under this Agreement, Buyer shall deliver to Escrow Agent (with a copy to Seller) at least ten (10) calendar days before the expiration of the Letter of Credit a substitute letter of credit (duly executed by the issuing bank) in form and substance mutually acceptable to Buyer and Seller, including a new expiration date of not less than three (3) months (or such other term as is mutually agreed upon by Buyer and Seller) after the expiration date of the Letter of Credit being renewed and replaced, issued by the issuer of the original Letter of Credit or by a United States bank having assets and a net worth (as established by the most recent public financial information of such bank, copies of which shall be provided by Buyer to Escrow Agent and Seller) equal to or greater than the bank that issued the original Letter of Credit. If Buyer delivers to Escrow Agent such substitute letter of credit at least ten (10) calendar days before the expiration of the Letter of Credit, such substitute letter of credit shall thereafter be deemed the "*Escrow Deposit*" for all purposes hereunder and Escrow Agent shall simultaneously exchange the prior Letter of Credit for the substitute letter of credit and issue to Buyer a receipt for the same, if so requested by Buyer. If Buyer does not deliver the substitute letter of credit to Escrow Agent at least ten (10) calendar days before the expiration of the Letter of Credit, Buyer shall, at the time of the expiration of the Letter of Credit, replace the Letter of Credit with an amount in cash equal to the full dollar amount that was available under the Letter of Credit immediately prior to such expiration. If, within two (2) calendar days before the expiration of the Letter of Credit, Buyer has neither delivered a substitute letter of credit to the Escrow Agent, nor replaced the Letter of Credit with an amount in cash equal to the full dollar amount that was available under the Letter of Credit immediately prior to such expiration, then Escrow Agent may draw down on the Letter of Credit to the full dollar amount that was available under the Letter of Credit immediately prior to such expiration in full satisfaction of Buyer's obligation to replace the Letter of Credit or deposit cash in lieu thereof.

(d) Investment of Cash Received in Lieu of Letter of Credit.

(i) If cash is deposited with Escrow Agent in lieu of the initial Letter of Credit pursuant to the last sentence of Section 1(a) or if the Letter of Credit is replaced by cash or is drawn down prior to its expiration pursuant to the last two sentences of Section 1(c), Escrow Agent shall retain such funds (the "*Funds*"), shall hold the Funds in escrow in lieu of the Letter of Credit, and shall invest the Funds in Permitted Investments (as defined in subparagraph (ii) below). Escrow Agent shall hold and release the Funds in accordance with the terms of this Agreement.

(ii) For purposes of this Agreement, "*Permitted Investments*" shall mean direct obligations of the U.S. government having maturities of 180 days or less, money market funds that invest solely in direct obligations of the U.S. government, and such other investments as may be specified from time to time to Escrow Agent by joint written instructions from Buyer and Seller. As and when the Funds are to

be released under this Agreement, Escrow Agent shall cause the Permitted Investments to be converted into cash. None of Seller, Buyer or Escrow Agent shall be liable for any loss of principal or income due to the choice of Permitted Investments in which the Funds are invested or the choice of Permitted Investments converted into cash pursuant to this subparagraph (ii).

(iii) For Tax purposes, the Funds shall be the property of Buyer and all interest and other income earned on the Funds shall be the income of Buyer. Buyer and Seller shall file Tax Returns, and Escrow Agent shall file a Form 1099, consistent with such treatment.

2. **Duty to Hold Escrow Deposit.** Escrow Agent shall hold the Escrow Deposit until receipt of either (a) a joint notice from Seller and Buyer in accordance with Paragraph 3(a) hereof, (b) a notice and demand from Seller as provided in Paragraph 3(b) hereof that is not protested, (c) a notice and demand from Buyer that is not protested as provided in Paragraph 3(c) hereof, or (d) joint instructions from Buyer and Seller otherwise directing Escrow Agent of the manner in which to dispose of the Escrow Deposit and any interest earned thereon. Seller and Buyer may examine the Letter of Credit at any time during normal business hours at the Escrow Agent's office upon 24 hours prior notice and pursuant to the reasonable requests of the Escrow Agent.

3. **Disposition of Escrow Deposit.** The Escrow Deposit shall be paid to Buyer or Seller or distributed as follows:

(a) Upon receipt by Escrow Agent of a joint notice from Buyer and Seller stating that the Closing under the Purchase Agreement has occurred, Escrow Agent shall, as applicable, immediately deliver the Letter of Credit or pay the Funds that constitute the Escrow Deposit without deduction, set-off, or counterclaim, plus any interest earned thereon in immediately available funds without deduction, set-off, or counterclaim, to Buyer.

(b) Upon receipt by Escrow Agent of a notice from Seller stating that Seller is entitled to the Escrow Deposit and following the failure of Buyer to make a timely protest (in accordance with Paragraph 4 hereof) after receipt of notice from Escrow Agent pursuant to Paragraph 4 hereof, Escrow Agent shall, as applicable, deliver the Letter of Credit or pay the Funds that constitute the Escrow Deposit in immediately available funds without deduction, set-off or counterclaim to Seller, free and clear of any and all claims thereto by Buyer, and shall pay any and all interest earned thereon in immediately available funds without deduction, set-off, or counterclaim to Buyer. If Seller provides any notice hereunder, Seller shall concurrently provide a copy of such notice to Buyer.

(c) Upon receipt by Escrow Agent of a notice from Buyer stating that Buyer is entitled to the Escrow Deposit and following the failure of Seller to make a timely protest (in accordance with Paragraph 4 hereto) after receipt of notice from Escrow Agent pursuant to Paragraph 4 hereof, Escrow Agent shall, as applicable, deliver the Letter of Credit or pay the Funds that constitute the Escrow Deposit and any interest

earned thereon in immediately available funds without deduction, set-off or counterclaim to Buyer, free and clear of any claim thereto by Seller. If Buyer provides any notice hereunder, Buyer shall concurrently provide a copy of such notice to Seller.

4. **Disagreement Between Buyer and Seller.** If either Buyer or Seller (for purposes of this paragraph referred to as the "*Demanding Party*") gives notice to Escrow Agent as provided in Paragraph 3(b) or 3(c) hereof and makes demand upon Escrow Agent for payment of the Escrow Deposit, Escrow Agent shall, within seven (7) business days of receipt of such demand, serve upon Buyer or Seller, as the case may be (the "*Notified Party*"), a copy of the Demanding Party's notice. Unless the Notified Party protests the payment of the Escrow Deposit in writing delivered to Escrow Agent within seven (7) business days after the receipt by the Notified Party of the Demanding Party's notice from the Escrow Agent, Escrow Agent shall thereupon make payment to the Demanding Party as required by such demand in accordance with Paragraph 3(b) or 3(c) hereof. If the Notified Party timely and duly protests, the Escrow Agent shall hold the Escrow Deposit until the disagreement is resolved as provided in Paragraph 5(f) below.

5. **Limitations on Liability of Escrow Agent.**

(a) The duties and obligations of Escrow Agent shall be determined solely by the express provisions of this Agreement and no implied duties or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent shall be under no obligation to refer to the Purchase Agreement or any other documents between or among the parties related in any way to this Agreement, except as specifically provided herein.

(b) Escrow Agent shall not be liable to anyone for any damages, losses or expenses for any act done or step taken or omitted by Escrow Agent in good faith, provided, however, that Escrow Agent shall be liable for damages, losses and expenses arising out of its willful default, gross negligence or bad faith under this Agreement.

(c) Escrow Agent shall charge no fees for its services hereunder, but shall be reimbursed for all reasonable expenses, disbursements and advancements incurred or made by the Escrow Agent in performance of its duties hereunder; one-half (1/2) of any such expenses, disbursements and advances to be paid by Buyer and one-half (1/2) to be paid by Seller, provided, however, that any expenses arising from investments in Permitted Investments pursuant to Section 1(d) shall be fully borne by Buyer.

(d) Escrow Agent shall be entitled to rely upon, and shall be protected in acting in reasonable reliance upon, any writing furnished to Escrow Agent by any party in accordance with the terms hereof, which Escrow Agent believes in good faith to be genuine and valid and to have been signed by the proper party.

(e) Escrow Agent may obtain advice of its counsel with respect to any questions relating to its duties or responsibilities hereunder and shall not be liable for any action taken or omitted in good faith on such advice of such counsel.

(f) Without limiting the foregoing, Escrow Agent shall not in any event be liable, and Seller and Buyer shall jointly and severally indemnify and hold harmless Escrow Agent, in connection with Escrow Agent's investment or reinvestment of the Escrow Deposit in good faith in accordance with the terms hereof, including without limitation any delays (not resulting from its gross negligence or willful default) in the investment or reinvestment of the Escrow Deposit, or any loss of income incident to any such delays.

(g) If any disagreement between the parties to this Agreement occurs that results in adverse claims and demands being made in connection with or against the Escrow Deposit, or any interest earned thereon, Escrow Agent shall refuse to comply with the claims or demands of any party until such disagreement is finally resolved by mutual agreement of the parties or by a court of competent jurisdiction (including expiration of all available appeal remedies), and, in so doing, Escrow Agent shall not be or become liable to any party. Alternatively, in the event of any dispute or disagreement between Buyer and Seller sufficient in the sole discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to tender into the registry or custody of any court of competent jurisdiction the Escrow Deposit and to initiate such legal proceedings as it deems appropriate, including without limitation, an interpleader action, for determination of the respective rights, titles and interests of Seller and Buyer therein. Upon such tender, Escrow Agent shall be entitled to receive from Seller and Buyer its reasonable attorney fees and expenses and shall be forthwith released and discharged from all further duties, liabilities and obligations under this Agreement.

(h) Buyer and Seller jointly and severally agree to indemnify Escrow Agent against all legal fees, costs and other expenses reasonably incurred by Escrow Agent in connection with or as a result of any disagreement among or between the parties hereto or the performance by Escrow Agent of its duties hereunder, including without limitation, any litigation arising from this Agreement or involving the subject matter hereof; except as provided in Paragraph 5(b) hereof.

(i) Any action claimed to be required to be taken by Escrow Agent hereunder and not otherwise specifically set forth herein shall require the agreement of Buyer, Seller, and Escrow Agent.

(j) Except as stated herein, Escrow Agent does not have any interest in the Escrow Deposit held hereunder, but is serving as escrow holder only.

6. **Resignation of Escrow Agent.** If Escrow Agent desires to resign as Escrow Agent, it shall provide thirty (30) days notice (a "*Resignation Notice*") of its intention to so resign to Buyer and to Seller. Notwithstanding the foregoing, if following the resignation of Escrow Agent there would be no replacement escrow agent hereunder, Escrow Agent's resignation shall not be effective until Buyer and Seller shall have

mutually agreed to the appointment of a replacement escrow agent and such appointment shall have been accepted in writing. In the event that no replacement escrow agent has been appointed by Buyer and Seller within sixty (60) days of the Resignation Notice, Escrow Agent shall be permitted to petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief and any such resulting appointment shall be binding upon the parties hereto.

7. **Amendments.** No modification or amendment to this Agreement, or waiver of compliance with any provision or condition hereof, shall be valid unless reduced to writing and signed by all of the parties hereto.

8. **Effect of this Escrow Agreement.** This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous agreements, arrangements and understandings relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and legal representatives. The paragraph headings of this Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret or construe the intentions of the parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its principles of conflicts of laws.

9. **Receipt of Instructions; Notices.** Escrow Agent may rely on and shall be fully authorized to act or fail to act in accordance with the instructions of the persons below with respect to this Agreement as representatives of the applicable party, or from such other person as any party may indicate in writing:

<u>Party</u>	<u>Name</u>	<u>Phone Number</u>	<u>Signature</u>
Seller	Walter F. Ulloa	(310) 447-3870	_____
Buyer	Sean R. Stover	(303) 694-9118	_____

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

If to Buyer:

NextMedia Operating, Inc.
6312 South Fiddlers Green Circle, Suite 3606
Englewood, Colorado 80111
Attention: Sean R. Stover
Telephone: (303) 694-9118
Facsimile: (303) 694-4940

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

Weil, Gotshal & Manges LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Attention: Glenn D. West, Esq.
John E. Quattrocchi, Esq.
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

If to Seller:

Entravision Communications Corporation
2425 Olympic Boulevard, Suite 6000 West
Santa Monica, California 90404
Attention: Walter F. Ulloa
Telephone: (310) 447-3870
Facsimile: (310) 447-3899

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

Entravision Communications Corporation
2425 Olympic Boulevard, Suite 6000 West
Santa Monica, California 90404
Attention: Michael G. Rowles
Telephone: (310) 447-3873
Facsimile: (310) 449-1306

If to Escrow Agent:

Media Venture Partners, Ltd.
50 Francisco Street, Suite 450
San Francisco, California 94133-2104
Attention: Elliot B. Evers
Telephone: (415) 391-4877
Facsimile: (415) 391-4912

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

10. **Counterparts.** This Agreement may be executed in one or more counterparts, and by the different parties hereto on separate counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

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

12. **Escrow Agent.** Buyer and Seller hereby acknowledge that Escrow Agent has served as broker to Seller and will continue to so serve during the course of its duties as Escrow Agent hereunder.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

**ENTRAVISION COMMUNICATIONS
CORPORATION**

By: _____

Name: Walter F. Ulloa

Title: Chairman and Chief Executive Officer

NEXTMEDIA OPERATING, INC.

By: _____

Name: Sean R. Stover

Title: Senior Vice President

NM LICENSING LLC

By: _____

Name: Sean R. Stover

Title: Vice President

MEDIA VENTURE PARTNERS LTD.

By: _____

Name: _____

Title: _____