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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In re )  
)  
HICKS BROADCASTING )  
OF INDIANA, LLC )  
)  
Order to Show Cause Why the License for )  
FM Radio Station WRBR(FM), )  
South Bend, Indiana, Should Not Be Revoked;) )  
)  
AND )  
)  
PATHFINDER COMMUNICATIONS CORP. )  
)  
Order to Show Cause Why the License for )  
FM Radio Station WBYT(FM), )  
Elkhart, Indiana, Should Not Be Revoked; )  
)  
AND )  
)  
Applications of )  
)  
MICHIANA TELECASTING CORP. )  
(ASSIGNOR) )  
)  
and )  
)  
PATHFINDER COMMUNICATIONS CORP. )  
(ASSIGNEE) )  
)  
For Assignment of the Licenses for )  
WNDU-AM-FM, South Bend, Indiana )

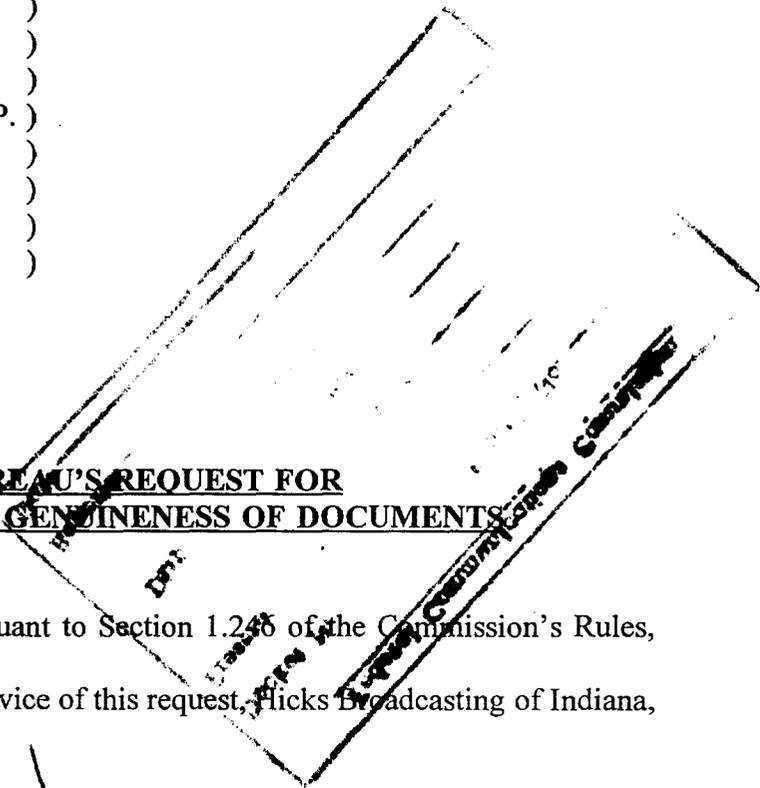
MM Docket No. 98-66

File Nos. BAL-960809GQ &  
BALH-960809GR

To: Hicks Broadcasting of Indiana, LLC

**MASS MEDIA BUREAU'S REQUEST FOR  
ADMISSIONS OF FACT AND GENUINENESS OF DOCUMENTS**

The Chief, Mass Media Bureau, pursuant to Section 1.246 of the Commission's Rules, hereby requests that within ten days of the service of this request, Hicks Broadcasting of Indiana,



**Federal Communications Commission**  
Docket No. MM 98-66 Exhibit No. 3  
Presented by MMB  
Disposition  
Reports 9/10  
Date 10-16-98  
( Identified  
Received 12-81  
Rejected 88  
K  
88  
OCT 22 1998  
FBI

281-178-182

LLC ("Hicks Broadcasting") admit to the truth of the following facts and genuineness of the attached documents, as set forth in the following numbered paragraphs. Each response should be labeled with the same number as the subject admission request and should be made under oath or affirmation of the person providing the response. In addition, Hicks Broadcasting is reminded that Section 1.246 provides that "[a] denial shall fairly meet the substance of the requested admission, and when good faith requires that a party deny only a part or a qualification of a matter of which an admission is requested he shall specify so much of it as is true and deny only the remainder."

#### Admissions

1. Since at least December 22, 1993, David L. Hicks ("Hicks") has been the President and CEO of Hicks Broadcasting.
2. Since at least December 22, 1993, Hicks has held a 51% majority interest in Hicks Broadcasting.
3. Since at least December 22, 1993, Alec C. Dille, Sarah F. Dille and John F. Dille, IV (collectively, "the Dille children") have each held a 16.33% non-controlling minority interest in Hicks Broadcasting.
4. John F. Dille, III ("Dille") is the father of the Dille children.
5. Hicks has known since at least November 30, 1993, that Dille is an officer, director and majority stockholder of Pathfinder Communications Corporation ("Pathfinder").
6. Hicks has known since at least November 30, 1993, that each of the Dille children is a minority stockholder of Pathfinder.

7. Hicks has known since at least November 30, 1993, that Pathfinder is the licensee of WTRC(AM), Elkhart, Indiana, and WBYT(FM), Elkhart, Indiana.

8. Hicks has known since at least November 30, 1993, that Dille is an officer, director and 23.3% stockholder of Truth Publishing Company, Inc. ("Truth"), and also has certain voting rights as a trustee of three trusts holding an additional 24.6% of Truth stock.

9. Hicks has known since at least November 30, 1993, that each of the Dille children holds or is a beneficiary of a trust holding 1.3% of Truth stock.

10. Hicks has known since at least November 30, 1993, that Truth publishes *The Elkhart Truth*, a daily newspaper in Elkhart, Indiana.

11. In the Summer of 1993, Dille contacted Hicks to suggest the possibility of Hicks obtaining a controlling interest in an entity that would acquire WRBR(FM), South Bend, Indiana from Booth American Company ("Booth").

12. On November 30, 1993, Booth and Hicks Broadcasting executed an Asset Purchase Agreement for the sale of WRBR, South Bend, Indiana from Booth to Hicks Broadcasting.

13. On November 30, 1993, Hicks Broadcasting made a \$50,000 escrow deposit for the purchase of WRBR.

14. Hicks provided a bank letter of credit in the amount of \$25,500 for his pro rata (51%) portion of the escrow deposit.

15. The Dille children provided checks totalling \$24,500 for their pro rata (49%) portion of the escrow deposit.

16. Dille provided the Dille children with the funds for their portion of the escrow deposit.

17. On December 22, 1993, Booth and Hicks Broadcasting filed with the Commission an application to assign the license for WRBR, South Bend, Indiana from Booth to Hicks Broadcasting.

18. Attachment A is a true and accurate copy of the assignment application, including all exhibits, submitted to the Commission by Booth and Hicks Broadcasting on December 22, 1993.

19. In the assignment application for WRBR, Hicks Broadcasting certifies in response to Section II, Question 15 that there are no documents, instruments, contracts or understandings relating to ownership or future ownership rights, including options.

20. Attachment B is a true and accurate copy of a February 17, 1994 letter from Alan C. Campbell, Esq. ("Campbell") to Hicks notifying Hicks that Commission staff had requested two pieces of information in the form of amendments to supplement the assignment application for WRBR.

21. Hicks received the February 17, 1994 letter from Campbell sometime before February 24, 1994.

22. On February 24, 1994, Hicks Broadcasting submitted to the Commission two amendments to the assignment application for WRBR.

23. Hicks signed a cover letter amending the assignment application for WRBR.

24. Attachment C is a true and accurate copy of a statement by Dille, dated February 22, 1994, amending the assignment application for WRBR, including the accompanying cover letter signed by Hicks.

25. On March 16, 1994, the Commission granted the application to assign the license for WRBR from Booth to Hicks Broadcasting.

26. Hicks Broadcasting and Booth closed on the sale of WRBR on March 31, 1994.
27. Attachment D is a true and accurate copy of the Joint Sales Agreement ("JSA") between Booth and Pathfinder dated December 18, 1992.
28. Booth's rights and obligations under the JSA with Pathfinder were assigned to and assumed by Hicks Broadcasting at the closing on the sale of WRBR.
29. Attachment E is a true and accurate copy of the Operating Agreement of Hicks Broadcasting executed by Hicks and the Dille children.
30. Section 7.4(b) of the Operating Agreement of Hicks Broadcasting gives the Dille children an option to purchase Hicks' entire interest in Hicks Broadcasting at any time.
31. On March 31, 1994, Hicks and the Dille children executed a letter which supplements the Operating Agreement of Hicks Broadcasting ("Side Letter").
32. Attachment F is a true and accurate copy of the Side Letter executed by Hicks and the Dille children on March 31, 1994.
33. The Side Letter includes a "Put Provision," which gives Hicks the option to require the Dille children to purchase his entire interest in Hicks Broadcasting at any time.
34. The Side Letter provides that the Dille children will indemnify Hicks for any costs, losses, claims, liabilities, fines, expenses, penalties, and damages in connection with or resulting from the \$25,500 letter of credit provided by Hicks as his pro rata portion of the escrow deposit.
35. The Side Letter provides that the Dille children are required to contribute their full 49% of the \$250,000 guaranty amount to Booth before Hicks is obligated to make any payments on the guaranty.
36. On March 23, 1994, Hicks Broadcasting and Pathfinder entered into an accounting agreement, pursuant to which Pathfinder provides all accounting functions for Hicks Broadcasting.

37. Attachment G is a true and accurate copy of the accounting agreement entered into by Hicks Broadcasting and Pathfinder on March 23, 1994.

38. Attachment H is a true and accurate copy of a December 29, 1995 amendment to the accounting agreement between Hicks Broadcasting and Pathfinder.

39. Hicks Broadcasting has never maintained a separate bank account for WRBR.

40. Hicks Broadcasting's employees and creditors are paid with checks written by Pathfinder on a checking account that identifies Pathfinder as the account holder.

41. From June 1994 through March 1995, and from December 1995 through May 1996, Pathfinder made payroll payments and payments to creditors on behalf of Hicks Broadcasting, even though Hicks Broadcasting had a cumulative negative operating balance during these periods, without charging Hicks Broadcasting interest.

42. The Dille children loaned Hicks Broadcasting \$2,450, their 49% pro rata share, for each of the six monthly \$5,000 purchase loan payments due to Booth between October 1, 1994 and March 1, 1995.

43. The Dille children each provided checks in the amount of \$35,000 to Hicks Broadcasting for the \$105,000 purchase loan payment due to Booth on April 1, 1995.

44. Hicks did not make any contribution towards the \$105,000 purchase loan payment due to Booth on April 1, 1995.

45. The \$35,000 payments to Hicks Broadcasting from each of the Dille children for the \$105,000 purchase loan payment due to Booth on April 1, 1995, were initially treated as paid in capital in the books of Hicks Broadcasting, but were reclassified as loans in December 1995.

46. The Dille children loaned Hicks Broadcasting the entire \$10,000 for the \$10,000 purchase loan payment due to Booth on May 1, 1996.

47. The Dille children loaned Hicks Broadcasting \$4,900, their 49% pro rata share, for the \$10,000 purchase loan payment due to Booth on June 1, 1996.

48. Dille provided the Dille children with all of the funds that they provided to Hicks Broadcasting between September 1994 and June 1996 for payments due to Booth on the purchase loan for WRBR.

49. On December 29, 1995, Hicks Broadcasting sent checks in the amount of \$42,999.99 to John F. Dille, IV; \$43,000 to Sarah F. Dille; and \$43,816.67 to Alec C. Dille.

50. The December 29, 1995 payments from Hicks Broadcasting to the Dille children were treated as repayment of the funds the Dille children provided for the November 30, 1993 escrow deposit and the \$105,000 purchase loan payment to Booth.

51. The December 29, 1995 payments from Hicks Broadcasting to the Dille children did not include any interest payments.

52. Between September 1, 1994 and July 1, 1995, Hicks was included on the payroll of Truth and was paid with checks written by Truth.

53. From September 1, 1994 to January 1, 1995, Hicks worked for Sign-Pro of Indiana, Inc. ("Sign Pro"), a vinyl sign business owned by Dille.

54. From January 1, 1995 to July 1, 1995, Hicks worked for Pathfinder providing national sales assistance to all Pathfinder radio stations, while also continuing to work part-time for Sign-Pro.

55. From September 1, 1994 to July 1, 1995, Hicks' salary was approximately \$70,000 per year, plus bonuses and fringe benefits.

56. From July 1, 1995 to February 28, 1997, Hicks worked as General Manager of Pathfinder-owned radio stations WCUZ(AM)/WCUZ(FM), Grand Rapids, Michigan and WAKX(FM), Holland Michigan.

57. From July 1, 1995 to February 28, 1997, Hicks' salary was approximately \$100,000 per year, plus bonuses and fringe benefits.

58. Hicks Broadcasting does not have its own personnel manual or written personnel policies.

59. Employees of Hicks Broadcasting are subject to the same personnel policies as employees of Pathfinder.

60. WRBR is co-located with WBYT(FM), which is licensed to Pathfinder.

61. Pathfinder employees holding the following positions have performed the same duties for WRBR: Chief Engineer, Operations Manager, Production/Continuity, Event Coordinator, General Sales Manager, Office Manager/Traffic, and General Manager.

62. Steve Kline ("Kline") was hired by Dille to be the General Manager of WBYT(FM) and WRBR in September 1993.

63. Kline did not meet Hicks until sometime in the summer of 1994.

64. During a period of time following the acquisition of WRBR by Hicks Broadcasting, Phil Britton was Program Director for both WRBR and WBYT.

65. During a period of time following the acquisition of WRBR by Hicks Broadcasting, Joe Turner was Assistant Program Director for both WRBR and WBYT.

66. News programming on WRBR originates from the same source as other Pathfinder stations.

67. The 1 mV/m contour of WRBR encompasses the entire community of Elkhart, Indiana.

68. At least until the release of the Order to Show Cause, Hearing Designation Order and Notice of Opportunity for Hearing in this proceeding, FCC 98-88, released May 18, 1998, the law firm of Irwin, Campbell & Tannenwald, P.C. (or predecessors thereof) has represented both Hicks Broadcasting and Pathfinder.

69. Attachment I is a true and accurate copy of the civil trial deposition given by Hicks on December 15, 1995 in *Hicks v. Crystal Radio Group, Inc.*, No. B94-3603-NZ (Michigan Circuit Ct., Kalamazoo, Michigan).

70. Attachment J is a true and accurate copy of the civil trial deposition given by Hicks on December 28, 1995 in *Hicks v. Crystal Radio Group, Inc.*, No. B94-3603-NZ (Michigan Circuit Ct., Kalamazoo, Michigan).

71. Attachment K is a true and accurate copy of the civil trial deposition given by Sarah F. Dille on January 30, 1996 in *Hicks v. Crystal Radio Group, Inc.*, No. B94-3603-NZ (Michigan Circuit Ct., Kalamazoo, Michigan).

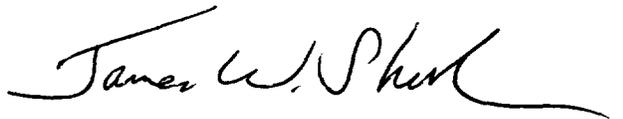
72. Attachment L is a true and accurate copy of the civil trial deposition given by John F. Dille, IV on January 30, 1996 in *Hicks v. Crystal Radio Group, Inc.*, No. B94-3603-NZ (Michigan Circuit Ct., Kalamazoo, Michigan).

73. Attachment M is a true and accurate copy of the civil trial deposition given by Steven Kline on January 30, 1996 in *Hicks v. Crystal Radio Group, Inc.*, No. B94-3603-NZ (Michigan Circuit Ct., Kalamazoo, Michigan).

Respectfully submitted,  
Roy J. Stewart  
Chief, Mass Media Bureau



Norman Goldstein  
Chief, Complaints &  
Political Programming Branch



James W. Shook



Roy Boyce



Kathryn S. Berthot  
Attorneys  
Mass Media Bureau

Federal Communications Commission  
2025 M Street, N.W.  
Suite 8210  
Washington, D.C. 20554  
(202) 418-1430

June 29, 1998

CERTIFICATE OF SERVICE

Talya Lewis, a secretary in the Enforcement Division, Mass Media Bureau, certifies that she has on this 29th day of June 1998, sent by regular United States mail, one copy of the foregoing "**Mass Media Bureau Request for Admissions**" to:

Erwin G. Krasnow, Esq.  
Verner, Liipfert, Bernhard, McPherson & Hand, Chartered  
901 15th Street, N.W.  
Washington, D.C. 20005

Eric L. Bernthal, Esq.  
Latham & Watkins  
1001 Pennsylvania Avenue, N.W.  
Suite 1300  
Washington, D.C. 20005

Christopher J. Reynolds, Esq.  
Reynolds & Manning, P.A.  
P.O. Box 2809  
Prince Frederick, MD 20678

William H. Crispin, Esq.  
Crispin & Brenner, P.L.L.C.  
901 15th Street, N.W.  
Suite 440  
Washington, D.C. 20005

Chief Administrative Law Judge Joseph Chachkin  
2000 L Street, N.W.  
Room 226  
Washington, D.C. 20554

  
Talya Lewis

**IRWIN, CAMPBELL & CROWE**

ATTORNEYS AT LAW  
1320 EIGHTEENTH STREET, N.W.  
SUITE 400  
WASHINGTON, D.C. 20036  
(202) 728-0400  
FAX (202) 728-0354

ALAN C. CAMPBELL  
(202) 728-0003

December 22, 1993

ORIGINAL

Federal Communications Commission  
Mass Media Services  
P. O. Box 358350  
Pittsburgh, PA 15251-5350

Re: Station WRBR(FM)  
South Bend, Indiana

Stop Code 1800B3  
FM Branch

Dear Sir or Madam:

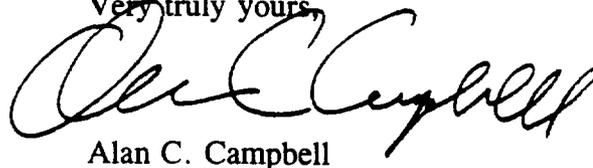
Transmitted herewith and filed in triplicate is an application on FCC Form 314 to assign the license for the above-referenced station from Booth American Company to Hicks Broadcasting of Indiana, LLC. A check in the amount of \$565.00 payable to the FCC is attached to cover the required filing fee.

If you have any question's concerning the Assignor's portion of the application, please contact:

John C. Quale, Esquire  
Wiley, Rein & Fielding  
1776 K Street, N.W.  
Washington, D.C. 20006  
(202) 429-7032

Should you have any questions concerning the Assignee's portion of the application, please contact the undersigned.

Very truly yours,



Alan C. Campbell

Encs

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16

DAVID L. HICKS  
SALLY J. HICKS  
7483 COTTAGE OAK DR.  
PORTAGE, MI 49002-7867

**CMA** Cash Management Account<sup>®</sup> 3900

DECEMBER 19 93

25-80/440

PAY TO THE  
ORDER OF

FEDERAL COMMUNICATIONS COMMISSION \$ 545.00

JHM 1991

FIVE HUNDRED SIXTY FIVE AND <sup>NO</sup> /100 — DOLLARS

**Merrill Lynch**

**BANK ONE** BANK ONE, COLUMBUS, OH  
Columbus, Ohio 43271

MEMO

FEDERAL COMMUNICATIONS COMMISSION

*[Handwritten signature]*

⑆044000804⑆ 3015076845⑈ 3900



PART 1 - Assignor

1. Name of Assignor  <b>Booth American Company</b>	Street Address <b>333 West Fort Street</b>		
	City <b>Detroit</b>	State <b>MI</b>	ZIP Code <b>48226</b>
	Telephone Number (include area code) <b>(313) 965-3360</b>		

2. Authorization which is proposed to be transferred

(a) Call letters WRBR (FM) Location South Bend, Indiana

(b) Has the station commenced its initial program tests within the past twelve months?  Yes  No

If Yes, was the initial construction permit granted after comparative hearing? N/A  Yes  No

If Yes, attach as an Exhibit the showing required by 47 C.F.R. Section 73.3597.  Yes  No

Exhibit No.

(c) Has the license for the station been acquired through the Commission's Minority Ownership Policy?  Yes  No

If Yes, has the station been operated on-air for less than the past twelve months?  Yes  No

If Yes, attach as an Exhibit the showing required by 47 C.F.R. Section 73.3597. N/A  Yes  No

Exhibit No.

3. Call letters of any SCA, FM or TV booster station, or associated auxiliary service stations (e.g., remote pickup, STL, inter-city relay) which are to be assigned:

**All authorized auxiliaries**

4. Attach as an Exhibit a copy of the contract or agreement to assign the property and facilities of the station. If there is only an oral agreement, reduce the terms to writing and attach.  Yes  No

Exhibit No. 1

5. If this application is for assignment of a construction permit for an unbuilt station, submit as an Exhibit the detailed showings and declarations of the applicants required by 47 C.F.R. Section 73.3597 regarding the assignor's legitimate and prudent out-of-pocket expenditures and the retention, if any, of any interest in the station.  Yes  No

Exhibit No.

N/A

6. State in an Exhibit whether the assignor, or any party to the assignor:  Yes  No

Exhibit No. 2

(a) has any interest in or connection with an AM, FM or television broadcast station; or a broadcast application pending before the FCC; or

(b) has had any interest in or connection with any application denied and/or dismissed with prejudice; or any FCC license which has been revoked.

The Exhibit should include the following information:

- (1) name of party with such interest;
- (2) nature of interest or connection, giving dates;
- (3) call letters or file number of application; or docket number; and
- (4) location.

7. Since the filing of the assignor's last renewal application for the authorization being assigned or other application, has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the applicant or parties to this application in a civil or criminal proceeding, brought under the provisions of any law related to the following: any felony; mass media related antitrust or unfair competition; fraudulent statements to another governmental unit; or discrimination?  Yes  No

Exhibit No.

If Yes, attach as an Exhibit a full description of the persons and matter involved, including an identification of the court or administrative body and the proceeding (by dates and file numbers) and the disposition of the litigation.

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**SECTION I - GENERAL INFORMATION**

**Part II - Assignee**

1. Name of Assignee  Hicks Broadcasting of Indiana, LLC	Street Address 7463 Cottage Oak Drive		
	City Portage	State MI	Zip Code 49002
	Telephone No. (include area code) (616) 392-7057		

2. Does the contract submitted in response to Question 4, Part I of Section I embody the full and complete agreement between the assignor and assignee?  Yes  No

If No, explain in an Exhibit.

Exhibit No.
-------------

**SECTION II - ASSIGNEE'S LEGAL QUALIFICATIONS**

1. Assignee is:

- an individual                     
  a general partnership                     
  a for-profit corporation  
 other                                     
  a limited partnership                     
  a not-for-profit corporation

2. If the applicant is an unincorporated association or a legal entity other than an individual, partnership or corporation, describe in an Exhibit the nature of the applicant.

Exhibit No.
-------------

3. Complete if applicable, the following certifications:

(a) Applicant certifies that no limited partner will be involved in any material respect in the management or operation of the proposed station.  Yes  No

If No, applicant must complete Question 4 below with respect to all limited partners actively involved in the media activities of the partnership.

(b) Does any investment company (as defined by 15 U.S.C. Section 80 a-3), insurance company, or trust department of any bank have an aggregated holding of greater than 5% but less than 10% of the outstanding votes of the applicant?  Yes  No

If Yes, applicant certifies that the entity holding such interest exercises no influence or control over the applicant, directly or indirectly, and has no representatives among the officers and directors of the applicant.  Yes  No

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SECTION II - ASSIGNEE'S LEGAL QUALIFICATIONS (Page 2)

NOTE: The terms "applicant and "parties to this application" are defined in the Instructions for Section II of this form. Complete information as to each "party to this application" is required. If the applicant considers that to furnish complete information would pose an unreasonable burden, it may request that the Commission waive the strict terms of this requirement with appropriate justification.

4. List the applicant, and, if other than a natural person, its officers, directors, stockholders and partners with attributable interests. Use one column for each individual or entity. Attach additional pages if necessary.

*(Read carefully - The numbered items below refer to line numbers in the following table.)*

- a. Name and residence of the applicant and, if applicable, its officers, directors, stockholders, or partners (if other than individual also show name, address and citizenship of natural person authorized to vote the stock). List the applicant first, officers next, then directors and, thereafter, remaining stockholders and partners.
- b. Citizenship.
- c. Office or directorship held.
- d. Number of shares or nature of partnership interests.
- e. Number of votes.
- f. Percentage of votes.

NOTE: Radio Applicants ONLY: Radio applicants need not respond to subparts g. and h. of the table. Instead, proceed and respond to Questions 5, 6 and 7, Section II below.

- g. Other existing attributable interests in any broadcast station, including the nature and size of such interests.
- h. All other ownership interests of 5% or more (whether or not attributable), as well as any corporate officership or directorship, in broadcast, cable, or newspaper entities in the same market or with overlapping signals in the same broadcast service, as described in 47 C.F.R. Section 73.3555 and 76.501, including the nature and size of such interests and the positions held.

a.	David L. Hicks 7463 Cottage Oak Drive Portage, MI 49002	Sarah D. Dunkel 1736 Laundale Road Elkhart, IN 46514	Alec C. Dille 23840 Greenleaf Blvd. Elkhart, IN 46514
b.	USA	USA	USA
c.	President, CEO	None	None
d.	Hicks Broadcasting is a limited liability company. The principals hold the percentage		
e.	membership interests set forth on line f.		
f.	51%	16.33%	16.33%
g.	See Exhibit 1	None	None
h.		See Exhibit 2	See Exhibit 2

**SECTION II - ASSIGNEE'S LEGAL QUALIFICATIONS (Page 2)**

NOTE: The terms "applicant and "parties to this application" are defined in the instructions for Section II of this form. Complete information as to each "party to this application" is required. If the applicant considers that to furnish complete information would pose an unreasonable burden, it may request that the Commission waive the strict terms of this requirement with appropriate justification.

4. List the applicant, and, if other than a natural person, its officers, directors, stockholders and partners with attributable interests. Use one column for each individual or entity. Attach additional pages if necessary.

*(Read carefully - The numbered items below refer to line numbers in the following table.)*

- a. Name and residence of the applicant and, if applicable, its officers, directors, stockholders, or partners (if other than individual also show name, address and citizenship of natural person authorized to vote the stock). List the applicant first, officers next, then directors and, thereafter, remaining stockholders and partners.
- b. Citizenship.
- c. Office or directorship held.
- d. Number of shares or nature of partnership interests.
- e. Number of votes.
- f. Percentage of votes.

NOTE: Radio Applicants ONLY: Radio applicants need not respond to subparts g. and h. of the table. Instead, proceed and respond to Questions 5, 6 and 7, Section II below.

- g. Other existing attributable interests in any broadcast station, including the nature and size of such interests.
- h. All other ownership interests of 5% or more (whether or not attributable), as well as any corporate officership or directorship, in broadcast, cable, or newspaper entities in the same market or with overlapping signals in the same broadcast service, as described in 47 C.F.R. Section 73.3555 and 76.501, including the nature and size of such interests and the positions held.

a.	John F. Dille, IV 1902 East Jackson Elkhart, IN 46516		
b.	USA		
c.	None		
d.			
e.			
f.	16.33%		
g.	None		
	See Exhibit 2		

SECTION 11 - ASSIGNEE'S LEGAL QUALIFICATIONS (Page 3)

RADIO APPLICANTS ONLY NEED TO RESPOND TO QUESTIONS 5, 6 AND 7.

5. Does the applicant, or any party to the application, own, or have an attributable interest in: (a) any AM, FM or TV station; or (b) a daily newspaper in the same market(s) as the station(s) being acquired?  Yes  No

6. Does the applicant, or any party to the application, broker more than 15 percent of the broadcast hours per week of any AM or FM station in a market in which the applicant, or party to the application, has an attributable interest in any AM or FM station? See 47 C.F.R. Section 73.3555(a) for definition of "radio market."  Yes  No

If the answer to 5 or 6 is Yes, set forth in an Exhibit, name of party having interest; nature of the interest; call letters and location of stations involved; and identification of newspaper, where applicable.

Exhibit No.

7. Does the principal community service contour (predicted or measured 5 mV/m groundwave contour for AM; predicted 3.16 mv/m contour for FM) of any AM or FM station being acquired overlap the principal community service contour of:

(a) an AM or FM station which is directly or indirectly owned, operated or controlled by the applicant or any party to the application; or  Yes  No

(b) an AM or FM station at which more than 15 percent of the broadcast time per week is brokered by the applicant or any party to the application?  Yes  No

If the answer to (a) or (b) is Yes, do you certify that the ownership interests which will result from grant of the application(s) comply with 47 C.F.R. Section 73.3555(a), or that appropriate waivers of that section are herein sought?  Yes  No

See Exhibit 2

If Yes, attach a separate Exhibit containing the market and audience information necessary to demonstrate compliance.

Exhibit No.

Note: With reference to the Radio Contour Overlap Rule of 47 C.F.R. Section 73.3555(a), the applicant's Exhibit must include: (i) a map that clearly identifies, by relevant contours, the location and geographic coverage of the market or markets involved; (ii) the number of commercial AM and FM stations counted as being in the market or markets, including a map that shows the principal community contours of the stations that define the market or markets and the principal community contours of all commercial stations intersecting with the principal community contours of these stations; (iii) for markets with 15 or more commercial radio stations, a combined audience share figure, the basis and/or source material for this figure, and the results and qualification of any commissioned audience survey or alternative showing used; and (iv) the call letters and locations of all stations in the market or markets that are, or are proposed to be, commonly owned, operated or controlled, including any AM or FM station in the market for which the applicant or any party to the application brokers more than 15 percent of that station's broadcast time per week.

8. Does the applicant, or any party to the application, have:

(a) a petition pending to migrate to the expanded band (1605-1705 kHz)?  Yes  No

(b) a permit or license in either the existing band (535-1605 kHz) or expanded band (1605-1705 kHz) that is held in combination with the station(s) proposed to be sold?  Yes  No

If Yes, provide particulars as an Exhibit.

Exhibit No.

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SECTION II - ASSIGNEE'S LEGAL QUALIFICATIONS (Page 4)

Does the applicant or any party to this application have any interest in or connection with a broadcast application pending before the FCC?

Yes  No

10. Has the applicant or any party to this application had any interest in or connection with the following:

(a) an application which has been dismissed with prejudice by the Commission?

Yes  No

(b) an application which has been denied by the Commission?

Yes  No

(c) a broadcast station, the license of which has been revoked?

Yes  No

(d) an application in any Commission proceeding which left unresolved character issues against the applicant?

Yes  No

If the answer to any of the questions in 9 or 10 is Yes, state in an Exhibit the following information:

Exhibit No.

- (1) Name of party having interest;
- (2) Nature of interest or connection, giving dates;
- (3) Call letters of stations or file number of application or docket; and
- (4) Location.

11. (a) Are any of the parties to this application related (as husband, wife, father, mother, brother, sister, son or daughter) either to each other or to individuals holding nonattributable interests of 5% or more in the applicant?

Yes  No

(b) Does any member of the immediate family (i.e., husband, wife, father, mother, brother, sister, son or daughter) of any party to this application have any interest in or connection with any other broadcast station, pending broadcast application, newspaper in the same area (see 47 C.F.R. Section 73.3555(c)) or, in the case of a television station applicant only, a cable television system in the same area (see 47 C.F.R. Section 76.501(a))?

Yes  No

If the answer to (a) or (b) above is Yes, attach as an Exhibit a full disclosure concerning the persons involved, their relationship, the nature and extent of such interest or connection, the file number of such application, and the location of such station or proposed station.

Exhibit No.  
2

12. (a) Do individuals or entities holding nonattributable interests of 5% or more in the applicant have an attributable ownership interest or corporate officership or directorship in a broadcast station, newspaper or CATV system in the same area? (See Instruction B to Section II.)

Yes  No

(b) Does any member of the immediate family (i.e., husband, wife, father, mother, brother, sister, son or daughter) of an individual holding a nonattributable interest of 5% or more in the applicant have any interest in or connection with any other broadcast station, pending broadcast application, newspaper in the same area (see 47 C.F.R. Section 73.3555(c)) or, in the case of a television station applicant only, a cable television system in the same area (see 47 C.F.R. Section 76.501(a))?

Yes  No

If the answer to (a) and/or (b) above is Yes, attach as an Exhibit a full disclosure concerning the persons involved, their relationship, the nature and extent of such interest or connection, the file number of such application, and the location of such station or proposed station.

Exhibit No.

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SECTION 11 - ASSIGNEE'S LEGAL QUALIFICATIONS (Page 5)

13. (a) Is the applicant in violation of the provisions of Section 310 of the Communications Act of 1934, as amended, relating to interests of aliens and foreign governments? (See Instruction C to Section II.)

Yes  No

(b) Will any funds, credits or other financial assistance for the construction, purchase or operation of the station(s) be provided by aliens, foreign entities, domestic entities controlled by aliens, or their agents?

Yes  No

If the answer to (b) above is Yes, attach as an Exhibit a full disclosure concerning this assistance.

Exhibit No.

14. (a) Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the applicant or parties to this application in a civil or criminal proceeding, brought under the provisions of any law related to the following: any felony; mass media related antitrust or unfair competition; fraudulent statements to another governmental unit; or discrimination?

Yes  No

(b) Is there now pending in any court or administrative body any proceeding involving any of the matters referred to in (a) above?

Yes  No

If the answer to (a) and/or (b) above is Yes, attach as an Exhibit a full disclosure concerning the persons and matters involved, including an identification of the court or administrative body and the proceeding (by dates and file numbers), a statement of the facts upon which the proceeding is or was based or the nature of the offense alleged or committed, and a description of the current status or disposition of the matter.

Exhibit No.

5. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

Yes  No

If Yes, provide particulars in an Exhibit.

Exhibit No.

16. Do documents, instruments, agreements or understandings for the pledge of stock of a corporate applicant, as security for loans or contractual performance, provide that (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of stockholder rights by the purchaser at such sale, the prior consent of the Commission (pursuant to 47 U.S.C. Section 3-10(d)) will be obtained?

Yes  No  
 Does Not Apply

If No, attach as an Exhibit a full explanation.

Exhibit No.

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**SECTION III - ASSIGNEE'S FINANCIAL QUALIFICATIONS**

The applicant certifies that sufficient net liquid assets are on hand or are available from committed resources to consummate the transaction and operate the facilities for three months.

Yes  No

**SECTION IV - ASSIGNEE'S PROGRAM SERVICE STATEMENT**

Attach as an Exhibit a brief description, in narrative form, of the planned programming service relating to the issues of public concern facing the proposed service area.

Exhibit No.  
3

**SECTION V - ASSIGNEE'S EQUAL EMPLOYMENT OPPORTUNITY PROGRAM**

Does the applicant propose to employ five or more fulltime employees?

Yes  No

If the answer is Yes, the applicant must include an EEO program called for in the separate Model EEO Program Report (FCC Form 396-A).

**SECTION VI - CERTIFICATION**

**Part I - Assignor**

1. Has or will the assignor comply with the public notice requirement of 47 C.F.R. Section 73.3580?

Yes  No

2. By checking Yes, the applicant certifies that, in the case of an individual applicant, he or she is not subject to a denial of federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, or, in the case of a non-individual applicant (e.g., corporation, partnership or other unincorporated association), no party to the application is subject to a denial of federal benefits that includes FCC benefits pursuant to that section. For the definition of a "party" for these purposes, see 47 C.F.R. Section 1.2002(b).

Yes  No

The ASSIGNOR acknowledges that all its statements made in this application and attached exhibits are considered material representations, and that all of its exhibits are a material part hereof and are incorporated herein.

The ASSIGNOR represents that this application is not filed by it for the purpose of impeding, obstructing, or delaying determination on any other application with which it may be in conflict.

In accordance with 47 C.F.R. Section 1.65, the ASSIGNOR has a continuing obligation to advise the Commission, through amendments, of any substantial and significant changes in the information furnished.

**WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).**

I certify that the ASSIGNOR'S statements in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Name of Assignor	Signature
Title	Date

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**SECTION III - ASSIGNEE'S FINANCIAL QUALIFICATIONS**

The applicant certifies that sufficient net liquid assets are on hand or are available from committed re-sources to consummate the transaction and operate the facilities for three months.

Yes  No

**SECTION IV - ASSIGNEE'S PROGRAM SERVICE STATEMENT**

Attach as an Exhibit a brief description, in narrative form, of the planned programming service relating to the issues of public concern facing the proposed service area.

Exhibit No.

**SECTION V - ASSIGNEE'S EQUAL EMPLOYMENT OPPORTUNITY PROGRAM**

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Yes  No

If the answer is Yes, the applicant must include an EEO program called for in the separate Model EEO Program Report (FCC Form 396-A).

**SECTION VI - CERTIFICATION**

**Part I - Assignor**

1. Has or will the assignor comply with the public notice requirement of 47 C.F.R. Section 73.3580?

Yes  No

2. By checking Yes, the applicant certifies that, in the case of an individual applicant, he or she is not subject to a denial of federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, or, in the case of a non-individual applicant (e.g., corporation, partnership or other unincorporated association), no party to the application is subject to a denial of federal benefits that includes FCC benefits pursuant to that section. For the definition of a "party" for these purposes, see 47 C.F.R. Section 1.2002(b).

Yes  No

The ASSIGNOR acknowledges that all its statements made in this application and attached exhibits are considered material representations, and that all of its exhibits are a material part hereof and are incorporated herein.

The ASSIGNOR represents that this application is not filed by it for the purpose of impeding, obstructing, or delaying determination on any other application with which it may be in conflict.

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I certify that the ASSIGNOR'S statements in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Name of Assignor  Booth American Company	Signature  <i>John L Booth</i> <sup>TH</sup> President
Title  President	Date  December 10, 1993

SECTION VI - CERTIFICATION (Page 2)

Part II - Assignee

By checking Yes, the applicant certifies that, in the case of an individual applicant, he or she is not subject to a denial of federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, or, in the case of a non-individual applicant (e.g., corporation, partnership or other unincorporated association), no party to the application is subject to a denial of federal benefits that includes FCC benefits pursuant to that section. For the definition of a "party" for these purposes, see 47 C.F.R. Section 1.2002(b).  Yes  No

The ASSIGNEE hereby waives any claim to the use of any particular frequency as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. (See Section 304 of the Communications Act of 1934, as amended.)

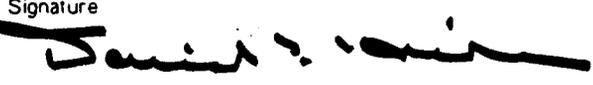
The ASSIGNEE acknowledges that all its statements made in this application and attached exhibits are considered material representations, and that all its exhibits are a material part hereof and are incorporated herein.

The ASSIGNEE represents that this application is not filed by it for the purpose of impeding, obstructing or delaying determination on any other application with which it may be in conflict.

In accordance with 47 C.F.R. Section 1.65, the ASSIGNEE has a continuing obligation to advise the Commission, through amendments, of any substantial and significant changes in the information furnished.

**WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).**

I certify that the ASSIGNEE'S statements in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Name of Assignee  Hicks Broadcasting of Indiana, LLC	Signature  David L. Hicks
Title  President/CEO	Date  12/21/93

FCC NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

The solicitation of personal information requested in this application is authorized by the Communications Act of 1934, as amended. The Commission will use this information to determine whether grant of this application is in the public interest. In reaching that determination, or for law enforcement purposes, it may become necessary to refer personal information contained in this form to another government agency. In addition, all information provided in this form will be available for public inspection. If information requested on the form is not provided, processing of the application may be delayed or the application may be returned without action pursuant to the Commission's rules. Your response is required to obtain the requested authority.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, P.L. 95-579, DECEMBER 31, 1974, 5 U.S.C. 552(e)(3) AND THE PAPERWORK REDUCTION ACT, P.L. 96-511, DECEMBER 11, 1980, 44 U.S.C. 3507.

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### BROADCAST EQUAL EMPLOYMENT OPPORTUNITY MODEL PROGRAM REPORT

1. APPLICANT

Name of Applicant  Hicks Broadcasting of Indiana, LLC	Address  7463 Cottage Oak Drive Portage, MI 49002
Telephone Number (include area code)  (616) 392-7057	

2. This form is being submitted in conjunction with:

Application for Construction Permit for New Station       Application for Assignment of License

Application for Transfer of Control

(a) Call letters (or channel number of frequency) \_\_\_\_\_ WRBR-FM 103.9

(b) Community of License (city and state) \_\_\_\_\_ South Bend, IN

(c) Service:       AM       FM       TV       Other (Specify) \_\_\_\_\_

#### INSTRUCTIONS

Applicants seeking authority to construct a new commercial, noncommercial or international broadcast station, applicants seeking authority to obtain assignment of the construction permit or license of such a station, and applicants seeking authority to acquire control of an entity holding such construction permit or license are required to afford equal employment opportunity to all qualified persons and to refrain from discrimination in employment and related benefits on the basis of race, color, religion, national origin or sex. See Section 73.2080 of the Commission's Rules. Pursuant to these requirements, an applicant who proposes to employ five or more full-time employees must establish a program designed to assure equal employment opportunity for women and minority group (that is, Blacks not of Hispanic origin, Asians or Pacific Islanders, American Indians or Alaskan Natives and Hispanics). This is submitted to the Commission as the Model EEO Program. If minority group representation in the available labor force is less than five percent (in the aggregate), a program for minority group members is not required. In such cases, a statement so indicating must be set forth in the EEO model program. However, a program must be filed for women since they comprise a significant percentage of virtually all area labor forces. If an applicant proposes to employ fewer than five full-time employees, no EEO program for women or minorities need be filed.

Guidelines for a Model EEO Program and a Model EEO Program are attached.

NOTE: Check appropriate box, sign the certification below and return to FCC:

Station will employ fewer than 5 full-time employees; therefore no written program is being submitted.

Station will employ 5 or more full-time employees. Our Model EEO Program is attached. (You must complete all sections of this form.)

I certify that the statements made herein are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Signed and dated this 21 day of December, 19 93

Signed *David L. King*

Title President/CEO

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION, PERMIT (U.S. CODE, TITLE 47, SECTION 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

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Asset Purchase Agreement

(Some schedules and exhibits omitted to reduce  
bulk, but available upon request)

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is made on November 30, 1993 between Booth American Company ("Seller") and David L. Hicks as agent for an Indiana limited liability company to be formed under the name Hicks Broadcasting of Indiana, L.L.C. ("Purchaser").

### RECITALS:

A. Seller owns and operates radio station WRBR (FM) in South Bend, Indiana (the "Station") pursuant to licenses and other authorizations issued by the Federal Communications Commission ("FCC") for the operation of the Station.

B. Subject to FCC approval, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Station Assets (as defined in Section 1.1 below) upon the terms of this Agreement.

Therefore, the parties agree as follows:

#### 1. Sale of Station Assets; Assumption of Liabilities.

1.1 Sale of Station Assets. Subject to the terms of this Agreement, at the Closing (as defined in Section 2.2 below), Seller will sell to Purchaser the following assets, as they exist on the Closing Date (as defined in Section 2.2 below), free and clear of all liens, encumbrances and security interests of any nature whatsoever, (collectively, the "Station Assets"):

(a) All licenses, permits and auxiliary authorizations issued by the FCC or any other governmental authority for the operation of the Station, as listed on Schedule 1.1(a) to this Agreement ("Governmental Licenses").

(b) All personal property, supplies, inventory and equipment use solely in the operation of the Station, including those items listed on Schedule 1.1(b) to this Agreement, as it may be modified and updated by the parties prior to the Closing Date, together with all replacements of and to such property and equipment made between the date of this Agreement and the Closing Date.

(c) The real property described on Schedule 1.1(c) to this Agreement (the "Real Estate").

(d) All of Seller's books and records related to the Station Assets or the operation of the Station, including property tax records, FCC logs, technical data, accounts payable and accounts receivable records and other records (copies of such books and records may be retained by Seller), but excluding all accounting and financial records and other corporate records of Seller.

(e) All right, title and interest of Seller in and to the name, trade name or slogan "WRBR-FM", any derivatives thereof, and all signs, slogans, jingles, phone numbers, trademarks, tradenames, servicemarks, logos, copyrights and similar materials and rights used solely in the operation of the Station, together with any goodwill associated with any of the foregoing.

(f) All contracts, leases and agreements concerning the operations of the Station which are listed on Schedule 1.2.

1.2. Limitation on Assumed Liabilities. At the Closing, Purchaser will only assume those liabilities and contractual obligations of the Station listed on Schedule 1.2 to this Agreement (the "Assumed Liabilities"). Except for the Assumed Liabilities, Purchaser does not assume and will not be liable for any other obligation, responsibility or liability of the Station or Seller.

1.3 Excluded Assets. The Station Assets specifically shall not include those items specified on Schedule 1.3.

2. Purchase Price; Closing.

2.1 Purchase Price.

(a) The total consideration for the Station Assets and the Noncompetition Agreement (as defined in Section 2.3(a)(6) below) (the "Transaction Consideration") will be \$660,000, payable in accordance with Schedule 2.1(a) to this Agreement.

(b) The Transaction Consideration will be allocated between the Station Assets and the Noncompetition Agreement in accordance with Schedule 2.1(b) to this Agreement. Seller and Purchaser will file all income and other tax returns in a manner consistent with Schedule 2.1(b).

2.2 Closing. The closing of the sale of the Station Assets (the "Closing") will be held at the offices of Seller's counsel, Honigman Miller Schwartz and Cohn, 2290 First National Building, Detroit, Michigan 48226, on the second business day after the FCC's consent to the assignment of the Station's FCC Governmental Licenses has become a Final Order (as defined below), or at such other place or places and such other date as may be agreed upon by the parties (the "Closing Date"); provided that upon the parties' agreement, the Closing may occur after the FCC's grant of consent to the assignment of the Station's FCC Governmental Licenses but before such grant has become a Final Order. The Closing will be deemed to be effective as of 12:01 a.m., local time on the Closing Date. As used in this Agreement, the term "Final Order" means the FCC having given its consent, without any condition materially adverse to Purchaser or Seller, to the assignment of the FCC Governmental Licenses to Purchaser and the time for filing any protest, request for stay, reconsideration by the FCC, petition for rehearing or appeal of such order having expired, and when no protest, request for stay, reconsideration by the FCC, petition for rehearing or appeal of such order is pending.

2.3 Closing Procedures.

(a) At the Closing, Seller will deliver to Purchaser:

(1) the executed bill of sale, assignment and assumption agreement (the "Assignment and Assumption Agreement") and corporate special warranty deed attached as Exhibits 2.3(a)(1)(A), (B) and (C) to this Agreement, respectively;

(2) executed copies of any consents or approvals required under Section 6.2 below;

(3) copies of Seller's articles of incorporation and bylaws, and resolutions of the Board of Directors and shareholders of Seller authorizing the execution, delivery and performance by Seller of this Agreement and all other agreements contemplated by this Agreement, certified by Seller's Secretary;

(4) a certificate from the Secretary of State of Michigan dated not more than ten days before the Closing Date, as to the legal existence and good standing of Seller under the laws of such state;

(5) a certificate from the Secretary of State of Indiana, dated not more than ten days before the Closing Date, as to the due qualification of Seller to do business in such state;

(6) the executed non-competition agreement attached as Exhibit 2.3(a)(6) to this Agreement (the "Noncompetition Agreement");

(7) the executed security agreement (the "Security Agreement") and pledge agreement (the "Pledge Agreement") attached as Exhibits 2.3(a)(7)(A) and (B) to this Agreement, respectively;

(8) evidence that Seller has ordered and paid the premium charge for the issuance of the final title policy in pursuance of the commitment for title insurance described in Section 5.5 below;

(9) a copy of a closing statement, executed by Seller, showing the computation of the funds payable to Seller at Closing pursuant to this Agreement.

(10) opinion letter of Seller's counsel, Honigman Miller Schwartz and Cohn, in the form attached as Exhibit 2.3(a)(10); and

(11) stake survey paid for by Seller.

(b) At the Closing, Purchaser will deliver to Seller:

(A) an executed promissory note in the form of Exhibit 2.3(b)(2)(A) to this Agreement, reflecting the appropriate payment schedule under Schedule 2.1(a) to this Agreement (the "Note");

(B) the Assignment and Assumption Agreement, Mortgage (covering the Real Estate), executed Security Agreement and Pledge Agreement and all other documents required or contemplated thereunder;

(C) the executed Noncompetition Agreement;

(D) the executed guaranty of each member of Purchaser in the form of Exhibit 2.3(b)(2)(D) to this Agreement (the "Guaranty");

(E) copies of the articles of organization and operating agreement of Purchaser and resolutions of its members and managers authorizing the execution, delivery and performance by Purchaser of this Agreement and all other agreements contemplated by this Agreement, certified by David L. Hicks;

(F) a certificate from the Secretary of State of Indiana, dated not more than ten days prior to the Closing Date, as to the legal existence and good standing of Purchaser under the laws of such state;

(G) a copy of a closing statement, executed by Purchaser, showing the computation of the funds payable to Seller at Closing pursuant to this Agreement; and

(H) opinion letter of Purchaser's counsel, in the form attached as Exhibit 2.3(b)(H).

2.4 Escrow. Concurrently with the execution and delivery of this Agreement, Purchaser will deposit \$50,000 (which will consist of \$24,500 in immediately available funds and an irrevocable standby letter of credit in the form of Exhibit 2.4A to this Agreement in the amount of \$25,500 issued by a bank reasonably acceptable to Seller) with an escrow agent pursuant to an Escrow Agreement in the form of Exhibit 2.4 to this Agreement (the "Escrow Agreement"). The deposit will be held (together with interest thereon) and disbursed by the escrow agent in accordance with the Escrow Agreement.

2.5 Adjustments and Prorations. All items of income and expense arising from the operation of the Station on or before 12:01 a.m., local time, on the Closing Date will be for the account of Seller and thereafter for the account of Purchaser. Proration of the items described below between Seller and Purchaser will be effective as of 12:01 a.m., local time, on the Closing Date and will occur as follows with respect to the Station Assets:

(a) Liability for state and local taxes (other than real estate taxes) assessed on the Station Assets paid or payable with respect to the tax year in which the Closing Date falls will be prorated as between Seller and Purchaser on the basis of the number of days of the tax year elapsed to and including the Closing Date, appropriately adjusted with respect to improvements to the Station Assets effected after the Closing Date.

(b) All real estate taxes on the Real Estate which first become due and payable on or after the Closing Date will be paid by Purchaser. Seller shall pay and discharge all real estate taxes on the Real Estate which become due and payable prior to the Closing Date.

(c) Prepaid items such as water, electricity, telephone, other utility and service charges, lease expenses, license fees (if any) and payments under any contracts to be assumed by the Purchaser will be prorated between Seller and Purchaser on the basis of the period of time to which such liabilities, prepaid items and accruals apply.

All prorations will be made and paid insofar as feasible on the Closing Date, with a final settlement to be made within ten business days after the Closing Date, except that any proration relating to taxes or other matters which cannot be determined with certainty on the Closing Date will be based upon reasonable estimates of such amounts and a final adjustment will be made when final invoices, vouchers or statements (as applicable) are received from the applicable third party.

3. Seller's Representations and Warranties. Seller represents and warrants to Purchaser as follows, as of this date and the Closing Date:

3.1 Organization; Good Standing. Seller is a corporation, duly incorporated, validly existing and in good standing under the laws of Michigan, is duly qualified as a foreign corporation and in good standing under the laws of Indiana, and has all requisite corporate power and authority to own and lease the Station Assets and to carry on the Station's business as currently conducted.

3.2 Due Authorization; Execution and Delivery.

(a) Subject to the issuance of the Final Order, Seller has full corporate power and authority to enter into and perform this Agreement and the Related Agreements (as defined below) to which it is a party and to carry out the transactions contemplated by this Agreement and such Related Agreements. The execution and delivery of this Agreement and the Related Agreements to which Seller is a party and the consummation of the transactions contemplated by this Agreement and such Related Agreements have been duly authorized by all necessary corporate action on the part of Seller. As used in this Agreement, "Related Agreements" are all written agreements and documents, other than this Agreement, which are executed by Purchaser or Seller pursuant to or in connection with this Agreement (including the Note, the Security Agreement, the Pledge Agreement, the Escrow Agreement and the Noncompetition Agreement), regardless of whether they are expressly referred to in this Agreement.

(b) This Agreement and each Related Agreement to which Seller is a party has been duly executed and delivered by Seller and constitutes, and each Related Agreement to which Seller will be a party which has not yet been executed and delivered when executed and delivered will constitute, a

legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms, except as may be limited by the availability of equitable remedies or by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally.

(c) Neither the execution and delivery by Seller of this Agreement or the Related Agreements to which it is a party, nor the consummation by it of the transactions contemplated by this Agreement and such Related Agreements will:

(1) conflict with or result in a breach of the articles of incorporation or bylaws of Seller;

(2) subject to the issuance of the Final Order, violate any statute, law, rule or regulation or any order, writ, injunction or decree of any court or governmental authority, which violation would be expected to have a material adverse effect on the Station Assets; or

(3) violate or constitute a default under (or give rise to any right of termination, cancellation or acceleration under), any material agreement, indenture, mortgage or other instrument to which Seller is a party and by which the Station Assets may be bound or affected.

3.3 Consents. No consent, authorization, license, exemption of, filing with or other action of any court, governmental authority or administrative agency is required in connection with the execution and delivery by Seller of this Agreement or the consummation by Seller of the transactions contemplated by this Agreement, other than the consent of the FCC to the transfer of the FCC Governmental Licenses. Except as set forth on Schedule 3.3 to this Agreement, no approval, authorization or consent of any other third party which has not been obtained by the Closing is required in connection with the execution and delivery by Seller of this Agreement and the consummation of the transactions contemplated by this Agreement.

3.4 Title to and Condition of Personal Property. Seller has good and marketable title to all personal property listed on Schedule 1.1(b). None of such personal property is subject to any security interest, mortgage, pledge, conditional sales agreement, equipment lease or other lien or encumbrance except for liens for current taxes and other governmental charges not yet due and payable and existing security interests which interests shall be released at closing, or waived by Purchaser. Except as shown on Schedule 1.1(b), such personal property is available for immediate use in the business or operations of the Station and such personal property as is currently in actual use in the operation of the Station has been maintained by Seller consistent with its past practices and is in good operating condition and repair (ordinary wear and tear excepted). At Closing, the broadcast facilities of the Station will be operating in accordance with the parameters of its FCC license.

### 3.5 Governmental Licenses.

(a) Schedule 1.1(a) to this Agreement lists and accurately describes all Governmental Licenses necessary for the lawful ownership and operation of the Station and the conduct of the Station's business. Seller is the holder of all of the Governmental Licenses.

(b) Each Governmental License is in full force and effect and is valid under applicable federal, state and local laws. The Station is being operated in all material respects in accordance with the terms and conditions of its Governmental Licenses and in accordance with the rules and regulations of the FCC.

3.6 Reports. Seller has duly filed all reports with respect to the Station required to be filed by law or applicable rule, regulation, order, writ or decree of any court, governmental commission, body or instrumentality and has made payment of all charges and other payments, if any, shown by such reports to be due and payable, except where the failure to so file or make payment would not have a material adverse effect upon the operations of the Station. All reports required to be filed by Seller with the FCC with respect to the Station have been filed.

3.7 Real Estate. Schedule 1.1(c) lists all interests in Real Estate that shall be assigned and transferred to Purchaser pursuant to this Agreement. Such interests are conveyed hereunder to Purchaser free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, encroachments, leases, charges, and other claims and encumbrances of any nature whatsoever, including claims involving the use, storage or existence of hazardous material, except for any easements, etc. which are properly recorded and are listed on Schedule 1.1(c), and except as would not in the aggregate have a material adverse effect on the operations of the Station. Except as noted on Schedule 1.1(c), the Real Estate is available for immediate use in the business or operations of the Station. At the Closing, Seller shall convey fee simple title to the Real Estate to Purchaser by Corporate Special Warranty Deed.

3.8 Contracts. Schedule 1.2 lists and describes all existing contracts which are to be assumed by Purchaser at Closing except for advertising contracts for the sale of time on the Station for cash and substantially at rate card, which are not prepaid and which may be cancelled by Seller without penalty on not more than thirty (30) days notice (the "Advertising Contracts"). Although not required to be listed on Schedule 1.2, the Advertising Contracts shall be included in the assumed contracts assigned to Purchaser at Closing. All of such assumed contracts are in full force and effect, and are valid, binding and enforceable in accordance with their terms. There is not under any assumed contract any material default by Seller or, to Seller's knowledge, any other party thereto. Except for the consent of the FCC and third party consents, Seller has full legal power and authority to assign its rights under such assumed contracts to Purchaser in

accordance with this Agreement, and such assignment will not affect the validity, enforceability and continuation of any of such assumed contracts.

3.9 Labor Relations. Seller is not a party to or subject to any collective bargaining agreements with respect to the Station. Seller, in the operation of the Station, has complied with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll related taxes, and it has not received any notice alleging that it has failed to comply in any material respect with any such laws, rules or regulations.

3.10 Claims, Legal Actions. Except as set forth on Schedule 3.10 and except for proceedings of a general nature that may affect the radio broadcast industry, there is no claim, legal action, counterclaim, suit, arbitration, governmental investigation, application or rule making proceeding, or other legal, administrative or tax proceeding, nor any order, decree or judgment, in progress or pending, or to the knowledge of Seller threatened, against or relating to the Station Assets, or the business or operations of the Station, including but not limited to any such action or proceeding under any federal, state or local law or regulation concerning the storage, use or disposition of hazardous material or substances, nor does Seller know or have reason to be aware of any basis for the same.

4. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as follows, as of this date and the Closing Date:

4.1 Organization and Good Standing. Purchaser is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Indiana and has all requisite limited liability company power and authority to enter into this Agreement and all Related Agreements to which it is a party, to own and lease its properties and carry on its business as currently conducted.

4.2 Due Authorization; Execution and Delivery.

(a) Subject to the issuance of the Final Order, Purchaser has full limited liability company power and authority to enter into and perform this Agreement and the Related Agreements to which it is a party, and to carry out its obligations under this Agreement and such Related Agreements. The execution and delivery of this Agreement and the Related Agreements to which Purchaser is a party and the consummation of the transactions contemplated by this Agreement and such Related Agreements have been duly authorized by all necessary limited liability company action on the part of Purchaser.

(b) This Agreement and each Related Agreement to which Purchaser is a party has been duly executed and delivered by Purchaser and constitutes, and each Related Agreement to which Purchaser will be a party but which has not yet been executed and delivered when executed and delivered will constitute, a legal, valid and binding obligation of Purchaser, enforceable against it

in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or general equitable principles.

(c) Neither the execution and delivery by Purchaser of this Agreement or any Related Agreement to which it is a party nor the consummation of the transactions contemplated by this Agreement and such Related Agreements will:

(1) conflict with or result in a breach of the articles of organization or operating agreement of Purchaser;

(2) subject to the issuance of the Final Order, violate any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental authority; or

(3) violate or constitute a default under (or give rise to any right of termination, cancellation or acceleration under) any indenture, mortgage, lease, contract or other instrument to which Purchaser is a party or by which it is bound or affected.

4.3 Consents. No consent, authorization, license, exemption of, filing with or other action of any court, governmental authority or administrative agency is required in connection with the execution and delivery by Purchaser of this Agreement or any Related Agreement to which Purchaser is a party or the consummation by Purchaser of the transactions contemplated by this Agreement or any such Related Agreement, other than those of the FCC. No approval, authorization or consent of any other third party which has not been obtained is required in connection with the execution and delivery by Purchaser of this Agreement and the Related Agreements to which Purchaser is a party and the consummation of the transactions contemplated by this Agreement and such Related Agreements.

4.4 No Control. Before the Closing Date, Purchaser will not, directly or indirectly, control, supervise or direct the operation of the Station. Such operation, including complete control and supervision of all programs, will be the sole responsibility of Seller.

4.5 Qualification of Purchaser. Except as set forth on Schedule 4.5 to this Agreement, Purchaser does not have any knowledge of any facts or proceedings which are reasonably likely to disqualify it under the Communications Act of 1934, as amended from time to time, the rules and regulations promulgated thereunder, and the policies of the FCC in respect thereof, from acquiring or operating the Station or which might otherwise cause the FCC not to approve the transfer of control of the Governmental Licenses to Purchaser.

## 5. Covenants and Agreements.

5.1 Affirmative Covenants. Between the date of this Agreement and the Closing Date and subject to Purchaser's compliance with the Joint Sales Agreement described in Section 14.10 below, Seller will:

(a) conduct the business and operations of the Station in the ordinary course of business and in conformity with all applicable laws, rules and regulations;

(b) give to Purchaser and its authorized representatives, reasonable access during normal business hours to the properties, premises, books and records of the Station as they may reasonably request;

(c) maintain all of the Personal Property in its present condition, ordinary wear and tear excepted and maintain normal and customary levels of inventory and spare parts, consistent with the past practices of the Station; and

(d) conduct the business and operations of the Station in all material respects in accordance with the Communications Act of 1934, as amended, with all applicable FCC rules and regulations.

5.2 Negative Covenants. Between the date of this Agreement and the Closing Date, Seller shall not:

(a) create, assume or permit to exist unless specifically provided for herein any mortgage, pledge, lien or other charge or encumbrance or rights affecting any of the Station Assets;

(b) sell, assign, lease or otherwise transfer or dispose of any of the Station Assets, except for the repair or replacement of equipment in the ordinary course of business, without the prior written consent of Purchaser, such consent not to be unreasonably withheld;

(c) enter into, renew or extend any contracts or agreements to be assumed by Purchaser after the Closing that are not in the ordinary course of business or are for the sale of advertising time for trade of merchandise or services, or for consideration other than cash;

(d) cause or permit, by any act or failure to act, the Governmental Licenses listed on Schedule 1.1(a) to expire or to be surrendered or modified, or take any action which would cause the FCC or any other governmental authority to institute proceedings for the cancellation or modification thereof, fail to prosecute with due diligence any pending application to the FCC, or take any other action within its control which would result in the Station being in non-compliance with the requirements of the Communications Act, or any other applicable law, or any FCC rules and regulations.

5.3 FCC Applications/Waiver/Other Consents.

(a) As soon as practicable after the execution and delivery of this Agreement, Seller and Purchaser will file an application requesting FCC consent to the assignment from Seller to Purchaser of all FCC Governmental Licenses. The FCC assignment application will be prosecuted by both parties

in good faith and with due diligence. The parties will use their best efforts to file additional information or amendments requested by the FCC orally or in writing as promptly as possible after such request and to complete and file such information with the FCC as rapidly as practical. Neither party will take or fail to take any action which could reasonably be expected to hinder or delay the assignment application process.

(b) Each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of the FCC assignment application, except that the parties will share, on a 50/50 basis, the FCC filing fee with respect to such application.

(c) Each party will use all necessary and reasonable means at its disposal to obtain all other necessary consents and approvals of other persons and governmental authorities required to enable it to consummate the transactions contemplated by this Agreement. Each party will make all filings, applications, statements and reports to all governmental agencies or entities which are required to be made before the Closing Date by or on its behalf pursuant to any statute, rule or regulation in connection with the transactions contemplated by this Agreement.

(d) Each party will provide to the other party copies of all filings, applications, statements and reports submitted under this Section 5.3.

**5.4 Public Announcements/Confidentiality.** Before the Closing Date, all notices to third parties and other publicity relating to the transactions contemplated by this Agreement will be jointly planned by and subject to the joint written approval of Seller and Purchaser. Neither Purchaser nor Seller will at any time use or disclose any confidential or non-public proprietary information concerning the other which it has obtained in connection with this transaction. However, each party will be free to make such disclosure to its lenders and advisors as is necessary and appropriate in connection with its evaluation and performance of this Agreement and the Related Agreements.

**5.5 Accounts Receivable.** Payment of the Station's Accounts Receivable shall be made in accordance with past practices and the terms of the Joint Sales Agreement dated December 18, 1992 between Seller and Pathfinder Communications Corporation. At the Closing such Agreement shall be assigned by Seller to Purchaser and after Closing Seller shall refund to Pathfinder Communications Corporation any amounts paid for accounts which later become uncollectible.

**5.6 Commitment For Title Insurance.** As soon as practicable after the date of this Agreement, Seller will deliver to Purchaser a commitment for title insurance covering the Real Estate issued by a title company doing business in Indiana and for an amount to be agreed upon between the parties, guaranteeing title in the condition required by this Agreement, bearing a date later than the date of this Agreement; such title commitment will be accepted as a sufficient showing of title to the Real Estate. If objection

to title is made, based upon a written opinion of Purchaser's attorney, that the title is not in the condition as required for performance under this Agreement, Seller will have 30 days from the date it is notified in writing of any valid claimed defect either (a) to remedy the title; (b) to have the title company delete any such objection from title insurance; or (c) to terminate this Agreement. If Seller remedies the title or obtains such title insurance within such 30 days, Purchaser will complete the sale by the Closing Date. If Seller fails to remedy the title or obtain such title insurance or to give Purchaser the appropriate written notification pursuant to this Section 5.6 within such 30 days, this Agreement will be deemed to have terminated in accordance with Section 11(e) below.

5.7 No Shop Clause. Seller shall not, directly or indirectly, sell or encumber all or any part of the Station Assets, other than in the ordinary course of business, consistent with past practice, or initiate or participate in any discussions or negotiations or enter into any agreement to do any of the foregoing. Seller shall not provide any confidential information concerning the Station or the Station Assets to any third party other than in the ordinary course of business or as required by law.

5.8 Survey. Within thirty (30) days of the date hereof, Seller, at its expense, shall provide Purchaser with a stake survey of the Real Estate, prepared by a registered land surveyor, certified by the surveyor to Purchaser, showing the Real Estate to be in the condition called for by this Agreement, including, if applicable: (i) the boundaries of the Real Estate; (ii) any easements of record; (iii) that all improvements on the Real Estate are located within its boundaries; (iv) that no improvements on the Real Estate are encroaching on the property of others; (v) that no property owned by others is encroaching on the Real Estate; and (vi) showing sufficient detail to enable the title company to issue the policy of title insurance without boundary, encroachment, or survey exceptions.

5.9 Compliance With Indiana Disclosure Law. Seller agrees to comply with the Indiana Responsible Property Transfer Law and to provide Purchaser with any required disclosure statement and to file any such disclosure statement with the Indiana Department of Environmental Management as may be required by such act.

5.10 Environmental Report. Within 60 days of the date hereof, Seller, at its expense, shall provide Purchaser with a "Phase I" environmental report with respect to the Real Estate and the personal property located thereon. If such report is unsatisfactory to Purchaser, Purchaser may terminate this Agreement within 30 days of its receipt of such report.

6. Conditions to Purchaser's Closing Obligations. All obligations of Purchaser under this Agreement will be subject to the fulfillment at or before the Closing of the following conditions (except that Purchaser may, in its sole discretion, waive any such condition in whole or in part):

6.1 Covenants; Representations, Etc. Seller will have delivered the documents required under Section 2.3(a) above and performed in all material respects the other covenants contained in this Agreement that are to be performed by it at or before the Closing; and the representations and warranties of Seller contained in this Agreement will be true and correct in all material respects as of the Closing Date.

6.2 Consents. The Final Order will be in full force and effect and all other consents and approvals from governmental agencies and third parties (unless the failure to obtain such third party consents would not have a material adverse effect on the Station) required to be obtained by Seller under Section 3.3 above will have been obtained without material cost or other materially adverse consequence to Purchaser and will be in full force and effect.

6.3 No Adverse Litigation. Except for claims instituted by Purchaser, no order or preliminary or permanent injunction will have been entered and no action, suit or other legal or administrative proceeding by any court or governmental authority, agency or other person will be pending or threatened on the Closing Date which may have the effect of (a) making any of the transactions contemplated by this Agreement illegal, (b) materially adversely affecting the value of the Station Assets or (c) making Purchaser liable for the payment of damages to any person with respect to this transaction.

7. Conditions to Seller's Closing Obligations. All obligations of Seller under this Agreement will be subject to the fulfillment at or before the Closing of the following conditions (except that Seller may, in its sole discretion, waive any such condition in whole or in part):

7.1 Covenants, Representations, Etc. Purchaser will have taken the actions required of it under Section 2.3(b) above and performed in all material respects the other covenants contained in this Agreement that are to be performed by Purchaser at or before the Closing; and the representations and warranties of Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

7.2 Consents. The Final Order will be in full force and effect and all other consents and approvals from governmental agencies and third parties required to be obtained by Purchaser pursuant to Section 4.3 above will have been obtained without material cost or other materially adverse consequence to Seller and will be in full force and effect.

7.3 No Adverse Litigation. Except for claims instituted by Seller, no order or preliminary or permanent injunction will have been entered and no action, suit or other legal or administrative proceeding by any court or governmental authority, agency or other person will be pending or threatened on the Closing Date which may have the effect of (a) making any of the transactions contemplated by this Agreement illegal or (b) making Seller

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liable for the payment of damages to any person with respect to this transaction.

8. Survival. All representations and warranties made by the parties will survive the Closing; provided that any cause of action based on a breach of a representation or warranty will terminate and not survive after one year from the Closing Date, unless notice of a claim based on specific circumstances has been given prior to the expiration of such one-year period.

9. Indemnification.

9.1 By Seller. Subject to Sections 8 above and 9.3 below, Seller will indemnify and hold Purchaser harmless from and against any claims, actions, obligations, liabilities, penalties and expenses (including reasonable attorneys' fees and expenses) arising by reason of or in connection with:

(a) any breach of Seller's representations, warranties or covenants under this Agreement; or

(b) the ownership of the Station Assets and operation of the Station before the Closing Date, except to the extent specifically assumed by Purchaser pursuant to this Agreement.

9.2 By Purchaser. Subject to Sections 8 above and 9.3 below, Purchaser will indemnify and hold Seller harmless from and against any claims, actions, obligations, liabilities, penalties and expenses (including reasonable attorneys' fees and expenses), arising by reason of or in connection with:

(a) any breach of Purchaser's representations, warranties or covenants under this Agreement;

(b) the ownership of the Station Assets and operation of the Station after the Closing Date, except to the extent they arise from a breach of any representation, warranty or covenant of Seller under this Agreement; or

(c) any of the Assumed Liabilities.

9.3 General Rules Regarding Indemnification. The indemnification obligations of an indemnifying party under this Agreement will be subject to the following:

(a) The indemnified party will give prompt written notice to the indemnifying party of any claim which might give rise to a claim by the indemnified party against the indemnifying party under this Agreement, stating the nature, basis and amount of such claims.

(b) If any claim or proceeding is brought against the indemnified party with respect to which the indemnifying party may have liability under this

Agreement, the claim or proceeding will, upon the written acknowledgement by the indemnifying party that it is obligated to indemnify under this Agreement, be defended by the indemnifying party. The indemnified party will have the right to employ its own counsel in any such investigation or proceeding, but the fees and expenses of such counsel will be at the indemnified party's own expense unless (1) the employment of such counsel and the payment of such fees and expenses both have been specifically authorized in writing by the indemnifying party in connection with the defense of such claim or proceeding or (2) counsel to such indemnified party has reasonably concluded and specifically opined to the indemnifying party that there may be a conflict of interest between the indemnified party and the indemnifying party which makes separate representation necessary; in either case, the indemnifying party will not have the right to direct the defense of such claim or proceeding on behalf of the indemnified party, but only that portion of such fees and expenses of the indemnified party's separate counsel reasonably related to matters covered by the applicable indemnification provision of this Agreement will be borne by the indemnifying party. The indemnified party will be kept fully informed of such action, suit or proceeding at all stages regardless of whether it is represented by separate counsel.

(c) The indemnified party will make available to the indemnifying party and its attorneys and accountants all books and records of the indemnified party relating to such claim or proceeding. The parties will render to each other such assistance as they may reasonably require of each other in order to ensure the proper and adequate defense of any such action, suit or proceeding.

(d) The indemnified party will not make any settlement of any indemnifiable claim or proceeding without the written consent of the indemnifying party, which consent will not be unreasonably withheld or delayed.

(e) No claim for indemnification will be made under Section 9.1 above unless and until Purchaser has first incurred liabilities for which it would be entitled to indemnification under this Agreement of at least \$12,500.

10. Risk of Loss. Seller will bear the risk of all damage to, loss of or destruction of any of the Station Assets between the date of this Agreement and the Closing Date. If any material portion of the Station Assets suffers any material damage or destruction before the Closing Date, Seller will promptly notify Purchaser in writing of such damage or destruction, and promptly take all necessary steps to restore, repair or replace such assets at its sole expense. Seller may extend the Closing Date for a period not exceeding 45 days to accomplish such restoration, repair or replacement, but is not required to do so. If such restoration, repair or replacement is not accomplished to the reasonable satisfaction of Purchaser before the Closing Date, regardless of whether extended, Purchaser may, at its option:

(a) terminate this Agreement upon written notice to Seller; or

(b) receive all insurance proceeds paid or payable to Seller in excess of amounts actually applied towards such restoration, repair or replacement, close this Agreement and thereafter complete such restoration, repair or replacement at Seller's expense.

In addition, if the Station is off the air or is unable to operate with its licensed facilities for (a) a total of twenty hours during any consecutive two day period, or (b) a total of forty hours during any consecutive thirty day period, Purchaser may terminate this Agreement and all of its obligations hereunder.

11. Termination Rights. This Agreement may be terminated as follows:

(a) by either Purchaser or Seller, if the Closing has not occurred on or before August 1, 1994 and if Sections 11(b) or (c) below do not apply;

(b) by either Purchaser or Seller, if the other party is in material default in the observance or due and timely performance of any of its obligations under this Agreement (including the material breach of a representation and warranty or covenant) and such default has not been cured within 30 days of written notice of such default by the non-defaulting party;

(c) subject to Sections 6, 7 and 10 above, by Seller or Purchaser if on the Closing Date any of the conditions precedent to its obligations set forth in this Agreement have not been satisfied or waived by such party and such party has satisfied all of its obligations, or if it becomes clear before Closing that any such condition precedent will not be capable of being so satisfied (including Purchaser's breach of the Escrow Agreement);

(d) by Seller pursuant to Section 5.6(c) above or by Purchaser pursuant to Sections 5.10 or 10(a) above; or

(e) by mutual consent of Seller and Purchaser.

Notice of termination of this Agreement must be given in writing pursuant to Section 14.2 below.

12. Effect of Termination.

12.1 Termination Pursuant to Sections 11(a) through (e). If this Agreement terminates pursuant to Sections 11(a) through (e) above, the provisions of Section 2 of the Escrow Agreement will govern and neither party will be liable to the other in any respect other than as provided in the Escrow Agreement and Section 12.3 below.

12.2 Other Termination. If this Agreement is terminated by a party other than pursuant to Sections 11(a) through (e) above, the terminating party will be liable to the other party for the total amounts held or

required under the terms of the Escrow Agreement to be held by the escrow agent under the Escrow Agreement at the time of such termination; subject to Sections 12.3 and 12.4 below, such payment will be the non-terminating party's exclusive remedy with respect to such termination.

12.3 Section 14.10 Below. Notwithstanding the preceding provisions of this Section 12, any amounts payable to Seller by Purchaser under Section 14.10 below will be paid to Seller immediately upon termination of this Agreement.

12.4 Specific Performance. If Seller is unable or unwilling to meet its obligations under this Agreement, Purchaser may obtain specific performance of Seller's obligation to sell the Station Assets to Purchaser, but (a) Purchaser must accept such Station Assets in their then-current condition, subject to whatever conditions Seller was unable or unwilling to fulfill and which precluded Seller from meeting its obligations hereunder, (b) amounts held by the escrow agent under the Escrow Agreement will be disbursed in accordance with paragraph 2(f) of the Escrow Agreement, and (c) Purchaser shall be deemed to have waived whatever conditions Seller was unable or unwilling to fulfill and which precluded Seller from meeting its obligations and, in addition, to have waived any claim for monetary damages or additional equitable or other relief for failure to fulfill such condition.

### 13. Expenses, Brokers.

13.1 Expenses. Except as otherwise expressly provided in this Agreement, each party will pay the fees and expenses incurred by it in connection with the transactions contemplated by this Agreement.

13.2 Brokers. Seller and Purchaser each represent and warrant to the other that all introductions and negotiations relative to this Agreement and the transactions contemplated by this Agreement have been carried on without the intervention of any other person on its behalf in such manner as to give rise to any valid claim against any of the parties for a brokerage commission, finder's fee or like payment. Seller and Purchaser will each indemnify and hold the other harmless against any losses, claims or liabilities resulting from its breach of this representation and warranty, without any limitation as to amount or time within which claim is made.

13.3 Disputes. If any action is brought to enforce this Agreement or defend the validity of this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees, court costs and other reasonable expenses incurred by it in such action, in addition to its other remedies and damages.

### 14. Miscellaneous.

14.1 Amendment. This Agreement may be amended at any time but only by an instrument in writing signed by both parties.

14.2 Notices. All notices and other communications under this Agreement will be in writing and be deemed given upon the receipt thereof by the recipient if delivered personally or mailed by certified mail, return receipt requested, or by nationally recognized "next-day" delivery service,

to the parties at the addresses set forth below (or at such other address for a party as may be specified by like notice), or sent by facsimile to the number set forth below (or such other number for a party as may be specified by proper notice):

If to Purchaser:

P.O. Box 487  
Elkhart, Indiana 46515  
Fax: (219) 294-4014  
Attn: David L. Hicks

With a copy to:

Eric V. Brown, Jr.  
Miller, Canfield, Paddock & Stone  
444 West Michigan Ave.  
Kalamazoo, Michigan 49007  
Fax: (616) 383-5858

If to Seller:

333 W. Fort Street  
Detroit, Michigan 48226  
Fax: (313) 965-1160  
Attn: John L. Booth, II

With a copy to:

Kimberly K. Hudolin  
Honigman Miller Schwartz and Cohn  
2290 First National Building  
Detroit, Michigan 48226  
Fax: (313) 962-0176

14.3 Assignment. This Agreement will be binding upon and inure to the benefit of the parties and their respective successors, heirs and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations under this Agreement will be assigned by either of the parties without the prior written consent of the other.

14.4 Counterparts. This Agreement may be executed in counterpart, each of which will be deemed an original.

14.5 Entire Agreement. This Agreement and the Related Agreements, the attached exhibits and the other documents referred to in this Agreement contain the entire understanding of the parties in respect of the subject matter contained in this Agreement. There are no restrictions, promises, warranties, conveyances or undertakings other than those expressly set forth in this Agreement and such other documents. This Agreement supersedes all

prior agreements and understandings between the parties with respect to its subject matter.

14.6 Waiver. No attempted waiver of compliance with any provision or condition of this Agreement, or consent pursuant to this Agreement, will be effective unless evidenced by an instrument in writing by the party against whom the enforcement of any such waiver or consent is sought.

14.7 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties and their permitted successors and assigns, and no other person will be deemed to be a third party beneficiary or shall be entitled to derive any benefit from this Agreement.

14.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

14.9 Further Assurances. From time to time following the Closing, at the request of Seller or Purchaser and without further consideration, the other party shall execute and deliver to the requesting party such instruments and documents and take such other action as such requesting party may reasonably request or as may be otherwise necessary to more fully and effectively convey and transfer to, and vest in, Purchaser, and put Purchaser in possession of, any part of the Station Assets and to otherwise consummate the transactions contemplated by this Agreement.

14.10 Joint Operating Agreement. As a condition to Closing, the Joint Sales Agreement dated December 18, 1992 between Seller and Pathfinder Communications Corporation ("PCC") will be assigned to Purchaser, effective upon the Closing Date. Purchaser will promptly remit, or will cause PCC to promptly remit, to Seller any amounts which may be due to Seller in respect of such termination, in accordance with the Joint Sales Agreement.

In witness whereof, the parties have executed this Agreement on the date set forth in the introductory paragraph of this Agreement.

BOOTH AMERICAN COMPANY

By:   
John L. Booth, II, President

\_\_\_\_\_  
David L. Hicks, as agent for an Indiana limited liability company to be formed under the name Hicks Broadcasting of Indiana, L.L.C., and not in his individual capacity



prior agreements and understandings between the parties with respect to its subject matter.

14.6 Waiver. No attempted waiver of compliance with any provision or condition of this Agreement, or consent pursuant to this Agreement, will be effective unless evidenced by an instrument in writing by the party against whom the enforcement of any such waiver or consent is sought.

14.7 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties and their permitted successors and assigns, and no other person will be deemed to be a third party beneficiary or shall be entitled to derive any benefit from this Agreement.

14.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

14.9 Further Assurances. From time to time following the Closing, at the request of Seller or Purchaser and without further consideration, the other party shall execute and deliver to the requesting party such instruments and documents and take such other action as such requesting party may reasonably request or as may be otherwise necessary to more fully and effectively convey and transfer to, and vest in, Purchaser, and put Purchaser in possession of, any part of the Station Assets and to otherwise consummate the transactions contemplated by this Agreement.

14.10 Joint Operating Agreement. As a condition to Closing, the Joint Sales Agreement dated December 18, 1992 between Seller and Pathfinder Communications Corporation ("PGC") will be assigned to Purchaser, effective upon the Closing Date. Purchaser will promptly remit, or will cause PGC to promptly remit, to Seller any amounts which may be due to Seller in respect of such termination, in accordance with the Joint Sales Agreement.

In witness whereof, the parties have executed this Agreement on the date set forth in the introductory paragraph of this Agreement.

BOOTH AMERICAN COMPANY

By: \_\_\_\_\_  
John L. Booth, II, President

  
\_\_\_\_\_  
David L. Hicks, as Agent for an Indiana limited liability company to be formed under the name Hicks Broadcasting of Indiana, L.L.C., and not in his individual capacity

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Schedule 2.1(a)

**PAYMENT OF TRANSACTION CONSIDERATION**

A. Unless otherwise defined in this Schedule, all capitalized terms used in this Schedule have the meanings given to them in the Purchase Agreement.

B. All payments will be made in immediately available funds on the first business day of the applicable month, except for Closing Date payments.

C. Seller shall be entitled to accelerate all future payments in the event of any late payment or other default as specified in the Note, except that the Note shall provide that the Purchaser shall have thirty (30) days from the receipt of notice of any default which has not previously occurred (other than a payment default) within which to cure the default before Seller may accelerate all future payments.

D. Interest will accrue on all past due amounts at an annual interest rate equal to the lesser of (1) 4% above the prime rate charged by Comerica Bank at the time of such default (adjusted on an annual basis) and (2) the maximum interest rate allowable under applicable law.

1. Subject to paragraph 2 below, Purchaser will pay Seller:

(a) Six monthly payments of \$5,000 each, beginning on the seven month anniversary of the Closing Date;

(b) \$105,000 on the first anniversary of the Closing Date;

(c) 6 monthly payments of \$10,000 each beginning on the first day of the first month after the second anniversary of the Closing Date;

(d) 15 monthly payments of \$15,000 each, beginning on the first day of the month immediately after payments under paragraph 1(c) above are completed; and

(e) a balloon payment, on the first day of the month immediately following the completion of payments under paragraph 1(d) above, equal to the difference between (1) the sum of \$660,000, plus interest on any late payments which has not by then been paid, plus any other amounts then owed to Seller by Purchaser, minus (2) the amounts actually paid to such date under paragraphs 1(a) - (d) above.

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**NONCOMPETITION AGREEMENT**

This Noncompetition Agreement ("Agreement") is entered into on \_\_\_\_\_, 199\_ between Booth American Company ("Booth") and Hicks Broadcasting of Indiana, L.L.C. ("Purchaser").

**RECITALS**

A. The parties are parties to an asset purchase agreement dated November 30, 1993, pursuant to which Booth has today sold the operating assets of radio station WRBR(FM), in South Bend, Indiana (the "Station"), to Purchaser (the "Purchase Agreement").

B. As an inducement to Purchaser's entering into the Purchase Agreement, Booth has agreed to enter into this Agreement.

Therefore, the parties agree as follows:

1. During the Term (as defined in paragraph 2 below), Booth or any wholly-owned subsidiary thereof will not directly or indirectly own or consult with any radio broadcast station which operates a main transmitter site which is located within a 50 mile radius of the geographic coordinates of the Station's existing transmitter site (a "Competing Station").

2. The term of this Agreement (the "Term") will begin on the date of this Agreement and continue until the first to occur of (a) the fifth anniversary of this date; and (b) Purchaser's breach of or default under the Purchase Agreement or the Note, the Mortgage, the Security Agreement or the Pledge Agreement (as defined in the Purchase Agreement), or any other material agreement between the parties.

3. This Agreement is intended, among other things, to protect profit potential acquired by Purchaser in its acquisition of Station assets pursuant to the Purchase Agreement. Therefore, in addition to its other remedies, Purchaser will be entitled to specific enforcement of Booth's obligations under this Agreement.

4. The consideration allocated to this Agreement is \$0.00.

5. (a) This Agreement will be governed by and construed in accordance with Indiana law.

(b) This Agreement is the parties' entire agreement concerning its subject matter and can only be amended in a written instrument signed by both parties.

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(c) The provisions of this Agreement will be deemed severable. If any part of any provision of this Agreement is held unenforceable under applicable law, such provision may be changed to the extent reasonably necessary to make this Agreement enforceable to the maximum extent permitted by law; if any provision is unenforceable, the remainder of this Agreement will be enforceable to the maximum extent permitted by law.

BOOTH AMERICAN COMPANY

By: \_\_\_\_\_  
John L. Booth, II, President

HICKS BROADCASTING OF INDIANA, L.L.C.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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**SECURITY AGREEMENT**

This Security Agreement, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_, by and between BOOTH AMERICAN COMPANY ("Secured Party") and Hicks Broadcasting of Indiana, L.L.C. ("Debtor").

**WITNESSETH:**

WHEREAS, Secured Party and Debtor have entered into a purchase agreement and certain related documentation (the "Purchase Agreement") for the purchase by Debtor of certain assets of radio station WRBR (FM) in South Bend, Indiana (the "Radio Station"); and

WHEREAS, Debtor wishes to grant to Secured Party a security interest in the collateral hereinafter described to secure the performance by Debtor of all Debtor's payment and other obligations to Secured Party in connection with the Purchase Agreement (hereinafter collectively the "Obligations").

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Secured Party and Debtor do hereby covenant and agree as follows:

**1. GRANT OF SECURITY INTEREST.**

Debtor hereby grants to Secured Party a continuing security interest in the following-described property, whether now owned or hereafter acquired and wherever located (hereinafter the "Collateral") for the purpose of securing the Debtor's performance of the Obligations:

A. all of Debtor's tangible personal property, including, without limitation, all present and future goods, inventory, equipment, merchandise, furniture, fixtures, office supplies, motor vehicles, machinery, amplifiers, transmitters, converters, cables, antennae, radio broadcast facilities, connections, towers and associated equipment, now owned or hereafter acquired, including, without limitation, the tangible personal property used in the operation of any radio stations or other broadcast facilities hereafter owned or acquired by Debtor;

B. to the extent that such rights are assignable pursuant to and in accordance with the Communications Act of 1934, as amended, and the rules, regulations and policies of the Federal Communications Commission ("FCC"), Debtor's rights under all present and future authorizations, permits, call letters, licenses and franchises, together with any renewals or extensions thereof, issued, granted or licensed to Debtor for the construction, installation or operation of radio broadcast stations, including, without limitation, each of the authorizations, permits, licenses and franchises listed in Schedule 1.1(a) to the Purchase Agreement;

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C. to the extent that such rights are assignable, all of Debtor's rights under all present and future network affiliation and other similar agreements or contracts for the transmission and delivery of programming, all construction, engineering, management and related agreements and all present and future trade or barter agreements, commitments or undertakings, advertising contracts and other similar contracts or agreements for advertising services, and any rights which Debtor may have or may acquire to redeem or repurchase any of its securities or to exercise any right of first refusal thereon and any rights which Debtor may have or may acquire under any joint venture agreement;

D. all of Debtor's rights under all present and future leases of property;

E. all of Debtor's other personal property, including, without limitation, all present and future accounts, accounts receivable, general intangibles, instruments, documents and chattel paper, and all debts, obligations and liabilities in whatever form owing to Debtor from any person, firm or corporation or any other legal entity, whether now existing or hereafter arising, now or hereafter received by or belonging or owing to Debtor, and all guaranties and security therefor; and

F. all proceeds, including all proceeds of insurance or condemnation awards, and all products of all of the foregoing.

## 2. DEBTOR'S WARRANTIES.

Debtor presently and at all times hereafter warrants that, while any of the Obligations secured by this Security Agreement remain unpaid or unperformed:

A. Ownership. Debtor is the owner of the Collateral free of all encumbrances and security interests.

B. Other Financing. No financing statements are on file covering the Collateral or its products or proceeds.

C. Sales of Goods or Services Rendered. Each receivable, account and chattel paper constituting Collateral arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine invoices, shipping documents or receipts.

D. Enforceability. Each receivable, account, contract right and chattel paper constituting Collateral is genuine and enforceable against the account debtor according to its terms. It and the transaction out of which it arose comply with all applicable laws and regulations. The amount represented by Debtor to Secured Party as owing by each account debtor is the amount actually owing, and is not subject to setoff, credit, allowance or adjustment, except discount for prompt payments, nor has any account debtor returned the goods or disputed its liability.

E. Authority to Contract. The execution and delivery of this Agreement and the performance of its terms or the terms of any instruments evidencing the Obligations secured hereby will not violate or constitute a breach of Debtor's Articles of Incorporation, By-Laws or any agreement or restriction to which Debtor is a party or by which it is bound.

F. Accuracy of Information. All information, certificates or statements given to Secured Party pursuant to this Security Agreement shall be true and complete when given.

G. Addresses. The address appearing in paragraph 12 ("Notices") is Debtor's chief place of business and principal place of business in Indiana. Such location shall not be changed without 30 days' prior written notice to Secured Party.

### 3. SALE AND COLLECTIONS.

A. Proceeds of Collateral. In the event of a default by Debtor in the performance of its Obligations and upon receipt of written notice from Secured Party, all proceeds of Collateral shall be held by Debtor upon an express trust for Secured Party, shall not be commingled with any other funds or property of Debtor, and shall be turned over to Secured Party not later than the business day following the day of their receipt. All proceeds received by Secured Party shall be applied against the Obligations secured hereunder in such order and at such time as Secured Party shall determine.

B. Verification and Notification. Secured Party may verify Collateral in any manner, and Debtor shall assist Secured Party in doing so. In the event of a default by Debtor in the performance of its Obligations and upon receipt of written notice from Secured Party, Secured Party may at any time, and Debtor shall, upon request of Secured Party, notify the account debtors to make payments directly to Secured Party and Secured Party may enforce collection of, settle, compromise, extend or renew the indebtedness of said account debtors. Until such account debtors are otherwise notified, Debtor, as agent for Secured Party, shall make collections on the Collateral.

### 4. DEBTOR'S COVENANTS.

A. Maintenance of Collateral. Debtor shall: not permit the value of the Collateral to be impaired; keep it free from all liens, encumbrances, and security interests; defend it against all claims and legal proceedings by persons other than Secured Party; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease or otherwise dispose of it or permit it to become a fixture or an accession to other goods; not permit it to be used in violation of any applicable law, regulation or policy of insurance; and, as to Collateral consisting of instruments and chattel paper, preserve rights in it against prior parties. Loss of or damage to the Collateral shall not relieve Debtor from any of the Obligations secured hereunder or created by this Security Agreement.

B. Maintenance of Security Interest. Debtor shall pay all expenses, and, upon request, take any action reasonably deemed advisable by Secured Party, to preserve the Collateral and to establish, determine priority of, perfect, continue perfected, terminate and/or enforce Secured Party's interest in it or rights under this Security Agreement.

C. Inspection of Collateral. At reasonable times, Secured Party may examine the Collateral and Debtor's records pertaining to it, wherever located, and may copy the records. Debtor shall assist Secured Party in doing so.

## 5. RIGHTS OF SECURED PARTY.

A. Authority to Perform for Debtor. If Debtor fails to act as required by this Security Agreement or by the Obligations secured hereunder, Secured Party is authorized, in Debtor's name or otherwise, to take any such action, including, without limitation, signing Debtor's name or paying any amount so required, and the cost to Secured Party thereof shall be one of the Obligations secured by this Security Agreement and shall be payable by Debtor upon demand with interest at the highest rate allowed, from time to time, under applicable law, from the date of payment by Secured Party.

B. Power of Attorney. Upon the occurrence of an Event of Default (as defined below), Debtor hereby irrevocably appoints Secured Party as its attorney-in-fact with power to receive, open and dispose of all mail addressed to Debtor; to notify the post office authorities to change the address for delivery of all mail addressed to Debtor to such address as Secured Party may designate. Upon the occurrence of an Event of Default, Debtor irrevocably appoints Secured Party as Debtor's attorney-in-fact with authority to sign, or endorse, for and on behalf of and in the name of Debtor any and all documents, instruments or agreements to further protect the security interest granted herein to Secured Party and to collect thereon including without limitation:

1. UCC Financing Statements or amendments thereto;
2. Assignments and consents related to the assignment and transfer of any interest of such Debtor as lessee under any lease of real or personal property;
3. Any instrument which may come into Secured Party's possession.

Such Power of Attorney, being coupled with an interest of the Secured Party, shall be irrevocable by Debtor while any of the Obligations secured hereunder shall be outstanding. All acts of any person or entity acting as such attorney are ratified and approved and such attorney shall not be liable for any act or omission, for any error of judgment or mistake of law or fact.

C. Non-Liability of Secured Party. Secured Party has no duty to protect, insure, collect or realize upon the Collateral or to preserve rights in it against prior parties.

6. EVENTS OF DEFAULT.

The occurrence of any one or more of the following shall be deemed an Event of Default:

A. Non-Performance. Debtor's failure to pay and perform when due any of the Obligations secured hereunder or to perform any warranty or other undertaking by the Debtor in this Security Agreement or documents or agreements relating to the Obligations secured hereunder;

B. Inability To Perform. Debtor or a guarantor for any of the Obligations secured hereunder ceases to exist, becomes insolvent or is the subject of bankruptcy or insolvency proceedings, or any proceedings for the reorganization or rehabilitation of Debtor or such guarantor;

Upon occurrence of an Event of Default as specified herein, all of the Obligations secured hereby shall, at the option of Secured Party and without notice or demand (except that (a) Secured Party will give Debtor written notice of any Default other than a failure to timely pay any Obligations and Debtor will have 30 days to cure such non-payment Default, and (b) Secured Party will give Debtor written notice of the first failure to timely pay any Obligations during any three month period and Debtor will have 10 days to cure any such payment Default), become immediately due.

7. REMEDIES.

Upon occurrence of an Event of Default, Secured Party shall have all of the rights and remedies for default provided by the Uniform Commercial Code, as well as any other applicable law. With respect to such rights and remedies:

A. Repossession. Secured Party may, without notice or hearing, which Debtor waives, take immediate possession of the Collateral.

B. Assembling Collateral. Secured Party may require Debtor to assemble the Collateral and to make it available to Secured Party at any convenient place designated by Secured Party.

C. Notice of Disposition. Written notice, when required by law, sent to any address of the Debtor shown as provided for in this Security Agreement at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral shall be reasonable notice.

D. Expenses and Application of Proceeds. Debtor shall reimburse Secured Party for any expense incurred by Secured Party in protecting or enforcing its rights under this Security Agreement, including, without

limitation, court costs, other legal expenses and attorneys' fees incurred in consultation, or in judicial, administrative, bankruptcy or arbitration proceedings, both at trial and appellate levels, and all expenses of taking possession, holding, preparing for disposition and disposing of the Collateral. The proceeds of sale of the Collateral shall be applied first to all costs and expenses of the sale, including reasonable attorneys' fees, and second to the payment of the Obligations in such order as and amount as Secured Party elects. Subject to the provisions of the Uniform Commercial Code, Secured Party shall return any excess to Debtor and Debtor shall remain liable to Secured Party for any deficiency.

E. Waiver. Secured Party may permit Debtor to remedy any Event of Default without waiving the Event of Default and Secured Party may waive any Event of Default without waiving any other subsequent or prior Event of Default by Debtor.

8. PERSONS BOUND.

This Agreement benefits Secured Party, its successors and assigns, and binds Debtor and its successors and assigns.

9. INTERPRETATION.

The validity, construction and enforcement of this Security Agreement shall be determined and governed by the internal laws of the State of Indiana. All terms not otherwise defined herein have the meanings assigned to them by the Indiana Uniform Commercial Code.

10. INVALIDITY.

If any provision of this Security Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions.

11. ENTIRE AGREEMENT.

This Security Agreement, the Purchase Agreement and the documents referenced herein and therein constitute the entire agreement between the parties, and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

12. NOTICES.

Notices and other communications hereunder shall be in writing and shall be given or made by personal delivery or by certified mail addressed to the parties as follows:

If to Debtor:

P.O. Box 487  
Elkhart, Indiana 46515  
Attention: David L. Hicks

With a copy to:

Miller, Canfield, Paddock & Stone  
444 West Michigan Ave.  
Kalamazoo, Michigan 49007  
Attention: Eric V. Brown, Jr.

If to Secured Party:

Booth American Company  
333 W. Fort Street, 12th Floor  
Detroit, Michigan 48226  
Attention: John L. Booth, II

With a copy to:

Honigman Miller Schwartz and Cohn  
2290 First National Building  
Detroit, Michigan 48226  
Attention: David Foltyn

Either party may change the address to which notices are to be sent it by giving written notice of such change of address to the other party in the manner provided for giving notice. Notices given by personal delivery shall be effective upon receipt and notices sent certified mail shall be deemed received and effective upon the second business day after the deposit thereof in the United States mail.

13. Governmental Approval.

Notwithstanding anything to the contrary contained herein, neither the Secured Party nor Debtor will take any action pursuant to this Security Agreement which would constitute or result in any assignment of a license granted by the Federal Communications Commission ("FCC") or any change of control of the broadcast stations operated by Debtor, if such assignment of license or change of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such approval of the FCC. Debtor agrees to take any action which the Secured Party may reasonably request in order to obtain and enjoy the full rights and benefits granted to the Secured Party by this Security Agreement, including specifically, at Debtor's own cost and expense, the use of its best efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Security Agreement which is then required by law, and

specifically, without limitation, upon request, the preparation, execution and filing with the FCC of any portion of any application or applications for consent to the assignment of license or transfer of control required to be executed by Debtor and necessary or appropriate under the FCC's rules and regulations for approval of any sale or transfer of any capital stock or assets of Debtor or any transfer of control over any license granted by the FCC.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement the day and date first above appearing.

BOOTH AMERICAN COMPANY

HICKS BROADCASTING OF INDIANA, L.L.C.

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

("Secured Party")

("Debtor")

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

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PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_, 199\_, by and between David C. Hicks, John F. Dille IV, Sarah F. Dunkel and Alec C. Dille of P.O. Box 487, Elkhart, Indiana 46515 (together, "Pledgors"), and BOOTH AMERICAN COMPANY, whose principal address is 333 W. Fort Street, 12th Floor, Detroit, Michigan 48226 (the "Secured Party").

Recitals

A. Pledgors are the sole members of Hicks Broadcasting of Indiana, L.L.C., an Indiana limited liability company, each owning the membership interest listed on the attached Membership Schedule (together, the "Membership Interests").

B. Hicks Broadcasting of Indiana, L.L.C. and Secured Party have entered into a purchase agreement and certain related documentation (the "Purchase Agreement") for the purchase by Hicks Broadcasting of Indiana, L.L.C. of certain assets of radio station WRBR(FM) in South Bend, Indiana (the "Radio Station").

C. In order to induce Secured Party to enter into the Purchase Agreement, Pledgors have agreed to pledge the Membership Interests as collateral security for the full and timely payment, when due, of the principal of and interest on the Note (as defined in the Purchase Agreement), together with any renewals or extensions thereof or replacements or substitutions therefor, whenever made and howsoever evidenced (together, the "Note" and, together with all of Pledgors' other debts, obligations and liabilities to Secured Party, now existing or hereafter arising and howsoever evidenced, the "Obligations").

THEREFORE, in consideration of the foregoing, it is mutually agreed by the parties hereto as follows:

1. Pledge.

1.1 Pledge of Membership Interests and Additional Collateral. Pledgors hereby pledge and grant a security interest in, the Membership Interests to Secured Party as security for the payment in full, when due and payable, of the Obligations, including, without limitation, Obligations under the Note or under this Agreement (the "Collateral"). The Collateral shall include the Membership Interests and the proceeds of the Membership Interests.

1.2. Release of the Membership Interests or Other Collateral. When the Obligations, including, without limitation, Obligations under the Note

or under this Agreement, are paid and performed in full, this Agreement shall terminate and Secured Party shall assign and transfer to Pledgors or their designees all of the Membership Interests and other Collateral, if any, then held by it hereunder.

2. Voting Power; Distributions.

2.1 Rights Pending Default. Unless and until any Pledgor or Hicks Broadcasting of Indiana, L.L.C. is in default with regard to any of the Obligations, including, without limitation, Obligations under the Note or under this Agreement, Pledgors shall have the right to exercise all voting, consensual and other powers of membership pertaining to the Membership Interests for all purposes not inconsistent with the terms of this Agreement or the Note, including, without limitation, the right to receive dividends and other distributions with respect to the Membership Interests; provided, however, that each Pledgor agrees that he or she will not vote the Membership Interests in any manner that is inconsistent with the terms of this Agreement nor in any manner which results in a change in the capital structure, or an increase in the outstanding membership interests, of Hicks Broadcasting of Indiana, L.L.C.

2.2 Rights of Secured Party After Default. If the payment of any principal or interest shall not have been made on the due date thereof under the Note or otherwise, or any other Obligation shall not have been paid or performed on the due date thereof, and whether or not Secured Party exercises, seeks or pursues any relief or remedy available to it under this Agreement or the Note, then, to the extent permitted by law, including all applicable provisions of the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission ("FCC"), Secured Party, or its nominee or nominees, shall forthwith, after compliance with any notice provisions contained in Section 3.1(b) below, if applicable, have the sole and exclusive right to exercise all voting, consensual and other powers of membership pertaining to the Membership Interests and the right to receive any dividends or other distributions in cash, securities or property payable on the Membership Interests and shall exercise such powers in such manner as Secured Party, in its sole discretion, shall determine to be necessary or appropriate. Pledgors shall promptly cause the articles of organization and operating agreement of Hicks Broadcasting of Indiana, L.L.C. to provide that Secured Party may succeed to all of Pledgors' rights as members of Hicks Broadcasting of Indiana, L.L.C., and Pledgors agree not to further amend any such provision during the term of this Agreement. If Secured Party shall so request in writing, Pledgors agree to execute and deliver to Secured Party such other additional powers, authorizations, proxies, orders and other documents as Secured Party may reasonably request to secure to Secured Party the rights, powers and authorities intended to be conferred upon Secured Party by this Section 2.2.

3. Default; Remedies.

3.1 Events of Default.

(a) If an Event of Default (as defined below) shall occur, then at the option of Secured Party, the unpaid principal balance of and accrued interest on any outstanding amount under the Note and all other Obligations shall be due and payable.

(b) An Event of Default shall occur if any one or more of the following events occur:

- i. non-payment of any principal or interest when and as due on the Note, provided however with respect to the first such failure to make payment when due within any three month period, no Event of Default shall occur until Secured Party has given Pledgors written notice of such non-payment and Pledgors or Hicks Broadcasting of Indiana, L.L.C. have failed to make payment within 10 days following the date of such notice;
- ii. non-payment when and as due of any other Obligations, provided however with respect to the first such failure to make payment when due within any three month period, no Event of Default shall occur until Secured Party has given Pledgors written notice of such non-payment and Pledgors or Hicks Broadcasting of Indiana, L.L.C. have failed to make payment within 10 days following the date of such notice;
- iii. bankruptcy of any Pledgor;
- iv. liquidation, dissolution or bankruptcy of Hicks Broadcasting of Indiana, L.L.C.;
- v. except for a sale of Membership Interests between Pledgors, any attempt by any Pledgor to sell or transfer any part of the Collateral without the prior written consent of Secured Party;
- vi. any other non-performance by any Pledgor with the provisions of this Agreement if such non-performance is not cured within 30 days after written notice from Secured Party.

3.2 Remedies in Case of Default. Upon the occurrence of an Event of Default, the entire balance of the Note and all other Obligations then outstanding shall, at the option of Secured Party, become payable without notice and Secured Party may, in its sole discretion, without any further demand, advertisement or notice:

(a) proceed by a suit or suits at law or in equity to foreclose against the Collateral and to succeed to Pledgors' Membership Interests, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction; and

(b) exercise any other right or remedy permitted to a secured party under the Uniform Commercial Code of the State of Indiana or other applicable law or under this Agreement.

3.3 Actions by Secured Party. Secured Party, as attorney-in-fact pursuant to Section 6 hereof may, in the name and on behalf of any Pledgor, make and execute all conveyances, assignments and transfers of the Membership Interests transferred pursuant to this Section 3, and each Pledgor hereby ratifies and confirms all that Secured Party, as said attorney-in-fact, shall do by virtue hereof. Nevertheless, each Pledgor shall, if so requested by Secured Party, ratify and confirm any transfer or transfers by executing and delivering to Secured Party all such instruments as may, in the judgment of Secured Party, be advisable for such purpose.

4. Application of Proceeds. Secured Party shall be entitled to receive the proceeds of the Membership Interests, to the extent required to pay the unpaid balance of or to perform the Obligations, the indebtedness (including, without limitation, interest) of Pledgors hereunder and all costs and expenses of Secured Party's succession to the Membership Interests, including, without limitation, reasonable compensation to Secured Party and its agents, attorneys and counsel, and all other expenses, liabilities and advances made or incurred by Secured Party in connection therewith.

5. Representations and Warranties of Pledgors. Each Pledgor, jointly and severally, represents and warrants to Secured Party as follows:

(a) The Collateral is duly and validly pledged with the Secured Party in accordance with law and Pledgors warrant and will defend the Secured Party's right, title and security interest in and to the Collateral against the claims and demands of all persons whomsoever.

(b) Pledgors have good title to the Collateral, free and clear of all claims, mortgages, pledges, liens, security interests and other encumbrances of every nature whatsoever.

(c) All of the Membership Interests have been duly and validly issued and are fully paid and nonassessable.

(d) The Membership Interests constitute all of the presently issued and outstanding membership interests of Hicks Broadcasting of Indiana, L.L.C.

(e) If any additional membership interests of Hicks Broadcasting of Indiana, L.L.C., or if any other membership interests or securities of Hicks

Broadcasting of Indiana, L.L.C. are acquired by any Pledgor after the date hereof, the same shall constitute Collateral and shall be deposited and pledged with Secured Party as provided in Section 1 hereof simultaneously with such acquisition.

(f) Except for a sale of Membership Interests between any of the Pledgors, Pledgors will not sell, convey or otherwise dispose of any of the Collateral, nor will Pledgors create, incur or permit to exist any pledge, mortgage, lien, charge, encumbrance or any security interest whatsoever with respect to any of the Collateral or the proceeds thereof, other than liens on and security interests in the Collateral created hereby, and except that Pledgors may transfer Collateral amongst themselves, so long as such Collateral continues to be pledged pursuant to this Agreement and Pledgors remain subject to all terms and conditions of this Agreement.

(g) Pledgors will not consent to or approve the issuance of any additional membership interests or securities of Hicks Broadcasting of Indiana, L.L.C., without the prior written consent of the Secured Party, provided, that any such membership interests or securities shall be deposited and pledged with the Secured Party simultaneously with such issuance as provided in Section 1 hereof.

6. Secured Party Appointed Attorney-in-Fact. Effective upon the occurrence of an Event of Default under this Agreement, Secured Party is hereby appointed the attorney-in-fact, with full power of substitution, of each Pledgor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest.

7. Governmental Approval. Notwithstanding anything to the contrary contained herein, neither Secured Party nor any Pledgor will take any action pursuant to this Agreement which would constitute or result in any assignment of a license granted by the FCC or any change of control of the broadcast stations operated by Hicks Broadcasting of Indiana, L.L.C., if such assignment of license or change of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such approval of the FCC. Pledgors agree to take any action which Secured Party may reasonably request in order to obtain and enjoy the full rights and benefits granted to Secured Party by this Agreement, including specifically, at Pledgors' own cost and expense (jointly and severally), the use of their best efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Agreement which is then required by law, and specifically, without limitation, upon request, the preparation, execution and filing with the FCC of any portion of any application or applications for consent to the assignment of license or transfer of control required to be executed by Pledgors and necessary or appropriate under the FCC's rules and regulations for approval of any sale or transfer of any

membership interests, capital stock or assets of Hicks Broadcasting of Indiana, L.L.C. or any transfer of control over any license granted by the FCC.

8. Miscellaneous.

8.1 No Waiver. No failure on the part of Secured Party to exercise, and no delay on the part of Secured Party in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Secured Party of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

8.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, personal representatives, heirs, executors and administrators of Pledgors and Secured Party.

8.4 Notices. Except as otherwise expressly provided herein, any notice or request given or made hereunder or pursuant hereto shall be in writing and shall be deemed to have been validly given or made if delivered or mailed, postage prepaid, and, if given or mailed to the address set forth above or addressed to either party at such other address as such party shall hereafter furnish to the other party hereto in writing.

8.5 Amendment. Neither this Agreement nor any term or provision hereof may be changed, waived, discharged or terminated, except with the written consent of each Pledgor and Secured Party.

8.6 Headings. The headings of the Sections of this Agreement have been inserted for convenience of reference only and shall not in any way affect the construction or interpretation of this Agreement.

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

\_\_\_\_\_  
David C. Hicks

\_\_\_\_\_  
John F. Dille IV

\_\_\_\_\_  
Sarah F. Dunkel

(signatures continued)

\_\_\_\_\_  
Alec C. Dille

("Pledgors")

BOOTH AMERICAN COMPANY

By: \_\_\_\_\_

John L. Booth, II  
It: President

("Secured Party")

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