

subject, however, to compliance by Textile Broadcasting Company with the following conditions:

(1) That as of the effective date of this merger or consolidation it shall:

(a) Have no debts, liabilities or obligations other than (i) current accounts payable incurred in the normal and ordinary course of business and (ii) accruals for current taxes not yet due or payable, and furnishes effective and satisfactory indemnification to the contracting parties and the resulting corporation against undisclosed and contingent tax and other obligations and liabilities,

(b) Shall have cash, accounts receivable, deposits, investments, prepaid expenses and prepaid insurance having a fair market value after deducting all liabilities, including tax accruals, of not less than One Hundred Ninety Thousand (\$190,000.00) Dollars, and

(c) In addition to the requirements of subparagraph (b) above, shall have in good operating condition all of the fixed assets, equipment, supplies, material, transcriptions, records and scripts necessary for the operation of an AM and FM radio station in accordance with its licenses from the Federal Communications Commission in substantially the same condition as all of such assets, equipment and supplies now are, reasonable wear and tear and consumption of expendable items (provided there is reasonable replacement consistent with past practice in the usual course of business) alone excepted, or if any or all of such assets shall be sold or disposed of under the terms of Section (11) then, the proceeds of such sale or disposition.