

College Creek Broadcasting, Inc.  
908 N. Michigan Ave., Suite 1880  
Chicago, IL 60611

March 30, 2007

Lazer Broadcasting Corporation  
200 S. A. Street, Suite 400  
Oxnard, CA 93030

Re: KXTT, Maricopa, CA and KEAL, Taft, CA

Gentlemen:

This letter sets forth the intention of Lazer Broadcasting Corporation ("Lazer Broadcasting Corporation" ("Lazer"), a California Corporation ("Buyer"), to purchase from College Creek Media, LLC, an Illinois Limited Liability Company ("Seller"), the authorizations from the Federal Communications Commission ("FCC") for Station KXTT, Maricopa, California (fac. id. 164119) and Station KEAL, Taft, California (fac. id. 164120) (the "Station Authorizations"). The Station Authorizations are also referred to as the "Assets").

1. **Purchase Price and Adjustments.** The total purchase price for the Assets shall be Three Million Eight Hundred and Fifty Thousand Dollars and No/100s (\$3,850,000.00) (the "Purchase Price"), as described below. The Purchase Price will be payable as follows (i) One Hundred Ninety-Five Thousand Dollars and No/100s (\$195,000.00) earnest money upon the execution of an asset purchase agreement to be held by a mutually agreed upon escrow agent; and (ii) Three Million Six Hundred Fifty-Five Thousand Dollars and No/100s (\$3,655,000.00) in cash at the closing of the purchase transaction (the "Closing").

2. **Encumbrances.** The Assets will be conveyed to Buyer free and clear of all liens, liabilities, encumbrances, and restrictions.

3. **Definitive Agreement.** All the terms and conditions relating to the purchase transactions described in this letter will be set forth in detail in a definitive agreement (the "Definitive Agreement"), which will contain, among other things, the conditions to Closing, covenants, representations and warranties, indemnity and post-closing escrow provisions customarily found in agreements of that nature. Seller's counsel will prepare the Definitive Agreement and will forward them to Buyer and Buyer's counsel for review and comment. Each of the parties agrees to diligently negotiate, in good faith, toward the execution of the Definitive Agreement for the Assets within 14 days of the execution by the parties of this Letter of Intent ("Negotiation and Diligence Period").

The Definitive Agreement will provide that (a) the Station Authorizations are valid and sufficient to allow Buyer to construct the two Stations; (b) each of the Station Authorizations was

granted on April 1, 2005, and is scheduled to expire three years from the grant date (i.e., April 1, 2008); and (c) the Station Authorizations will be assigned to Buyer at Closing without material adverse change from their present status.

4. **Actions Prior to Definitive Agreement.** Pending the execution of the Definitive Agreement, or the mutual termination of negotiations, whichever occurs first, Seller agrees:

(a) To provide Buyer, and its auditors, attorneys, agents, employees and representatives, with reasonable access to the key management employees of the Seller in connection with Buyer's due diligence investigation of the Assets; and

(b) Upon the reasonable request of Buyer, to provide to Buyer and its auditors, attorneys, agents, employees and representatives, copies of records, papers and documents relating to Seller's acquisition of the Stations.

(c) Buyer and Seller shall cooperate in the filing of an FCC Form 314 (application for consent to assignment of authorization) based upon this Letter of Intent, which application can be subsequently amended to include the Definitive Agreement.

5. **Confidentiality.** Buyer will hold all information obtained from Seller in connection with this proposed transaction ("Evaluation Material") in confidence and will not disclose any of such information other than to those assisting Buyer in evaluating and closing this transaction, their employees and representatives and those who will provide financing for the transaction, but in each case only on a need-to-know basis and where such persons are both informed of the confidentiality of the Evaluation Material and agree to be bound by the terms of the confidentiality covenants contained in this paragraph 5. The term "Evaluation Material" does not include information which (i) is already in the possession of Buyer through a source other than Seller, (ii) becomes generally available to the public other than as a result of its disclosure by Buyer, or the directors, officers, employees, agents or advisors of Buyer, or (iii) becomes available to Buyer on a non-confidential basis from a source other than Seller or its advisors, provided that such source is not known by Buyer to be bound by a confidentiality agreement with or other obligation of secrecy to Seller or another party.

6. **Due Diligence.** Upon Seller's acceptance of this Letter of Intent, Buyer shall undertake its due diligence investigation to confirm Buyer's assumptions relating to the sufficiency of the Station Authorizations.

7. **Expenses.** Seller and Buyer shall each bear its own costs and expenses incurred in connection with the transactions described in this letter; provided, however, Buyer each shall pay all filing and application fees paid to governmental or regulatory authorities in connection with the transactions described in this letter.

8. **Conditions to Closing.** The consummation of the purchase transactions described in this letter shall be subject to the following conditions precedent, and such others as shall be included

in the Definitive Agreement as conditions precedent to the Closing: (a) compliance by Seller and Buyer with the requirements of paragraphs 4, 5, and 7 above; (b) all material governmental consents and consents of third parties required for the consummation of the assignment of the Station Authorizations shall have been obtained; (c) the absence of material adverse changes in the Station Authorizations except for matters relating to or affecting the radio broadcast industry generally; (d) that there exist no security interests, liens, or encumbrances against the Assets that would extend after the date of Closing (except permitted security interests, liens, or encumbrances permitted by the terms of the Definitive Agreement); (e) that both Seller and Buyer have each received all necessary approvals (corporate or otherwise) for the transactions contemplated hereby and (f) that the FCC's consent to these transactions has become a final order, not subject to administrative or judicial appeal.

9. **Nature of Letter of Intent.** This letter of intent is a statement of present intention and understanding justifying the considerable expenditure of time, effort and expense in an attempt to diligently negotiate in good faith and to execute a Definitive Agreement. Paragraphs 4, 5, 7, and 10 hereof will be binding from the date of execution hereof to the date of execution of the Definitive Agreement; provided, however, that if no Definitive Agreement is executed, the provisions hereof shall terminate thirty (30) days after the execution of this Letter of Intent, except that paragraphs 5, 7, and 10 shall survive for one year from the date hereof. The transactions described in this letter are subject to the good-faith negotiation, execution and delivery to each other of the Definitive Agreement, which will set forth all the terms and conditions contemplated between the parties. This Letter of Intent shall be governed by the laws of the State of Illinois.

10. **Press Release.** Neither party will issue any press release or make any other public announcement concerning this letter of intent or the transactions contemplated hereby without the consent of the other, except disclosures required by law.

12. **Duration.** This proposal will expire at 5:00 p.m., PST on Tuesday, April 3, 2007 unless accepted by you prior to that time and date.

If the foregoing is acceptable to you, please indicate that by your execution in the space provided below.

Very truly yours,



Christopher F. Devine  
COLLEGE CREEK MEDIA, LLC

ACCEPTED AND AGREED TO this 3<sup>rd</sup> day of April, 2007.

Lazer Broadcasting Corporation



By: \_\_\_\_\_  
Alfredo Plascencia  
President