

SETTLEMENT AGREEMENT AND RELEASE

1. PARTIES. The parties to this agreement are Ricardo Torres (“Torres”), Nelson Gomez, La Favorita Radio Network, Nelson and Debbie Gomez, and all stations identified in the “action” described below (collectively “LFRN”). The parties may be collectively referred to as the “Parties” or individually as a “Party.”

2. ACTION. In July 2017, Torres filed an action in the U.S. District Court for the Eastern District of California, Fresno Division, Case No. 17-CV-F-00888-LJO-SAB (the “Action”).

3. DESIRE TO SETTLE AND COMPROMISE: The Parties want to settle all claims and cross-claims made in the Action for purposes of attaining peace and not to admit wrongdoing or liability of any kind. No Party admits wrongdoing of any kind.

4. TRANSFERS OF ASSETS: As consideration for this Agreement and for the releases, dismissals, and other promises set forth in this Agreement, LFRN agrees to perform all of the following acts:

a. LFRN will transfer and/or assign to Torres all right, title and interest to the assets, including FCC licenses and contractual rights, of station KAFY-AM.

b. LFRN will cause to be prepared appropriate documents and agreements, including an asset purchase agreement (APA) and all FCC-required filings and actions, to effectuate this transfer. Among other provisions, the APA will include a bill of sale.

c. The application documents required by the FCC will be filed with the FCC not more than fifteen (15) days after the APA is signed by all parties.

d. The Parties will share equally the expenses, including fees of the FCC and other governmental agencies, outside counsel (that is, counsel not currently counsel of record in the Action), and other out-of-pocket expenses, of effectuating this transfer.

e. LFRN agrees to request written consent from iHeart Radio (formerly Clear Channel Communications) to an assignment of the rights given to LFRN under the language of Paragraph 3 of the First Amendment to Asset Purchase Agreement for the sale of KZPM, dated in 2000. In the event iHeart Radio fails to provide such a written consent to an assignment of those rights, LFRN and Nelson Gomez shall personally guarantee Torres those rights. Torres and his counsel acknowledge receipt of a copy of Paragraph 3 of the First Amendment to Asset Purchase Agreement for the sale of KZPM.

f. This Agreement is expressly conditioned upon approvals and licenses from all governmental agencies whose approval is required to effectuate the transfers described in this paragraph.

5. TRANSFER BY TORRES. As consideration for this Agreement, Torres agrees to transfer to LFRN, or its designated party, all right, title, and interest he currently owns or claims to own in LFRN and/or its owned or operated radio stations, in shares of stock or otherwise, and all assets and contracts held by them; *provided*, this transfer of ownership interest will not diminish any rights Torres acquires under this Agreement, understanding nothing in this Agreement grants to Torres any stock or ownership interest in any entity or asset other than station KAFY-AM as described in section 4 above. LFRN will notify counsel for Torres of the manner in which this transfer of stock is to be effectuated.

6. WARRANTY BY LFRN. LFRN warrants it has undivided, good and marketable title to all assets transferred to Torres, that it/they are parties to all contracts assigned or

transferred to Torres under this Agreement, that no party or parties claim any interest in those assets other than those expressly disclosed to Torres, and that there are no liens, security interests, or encumbrances, voluntary or involuntary, against or on any of the stock or assets described in section 5 above. LFRN further warrants it has no notice or knowledge of any litigation, claim, or contention by any other party that LFRN or any of its owners or related parties is or are in breach of agreements that relate to or include station KAFY-AM.

7. **WARRANTY BY TORRES.** Torres warrants he has undivided, good and marketable title to the stock and other assets transferred to LFRN as set forth in section 5 above, and that there are no liens, security interests, or encumbrances, voluntary or involuntary, against or on any of the stock or assets described in section 5 above. Torres further warrants he has no notice or knowledge of any litigation, claim, or contention by any other party that involves or could impact ownership of the assets he is transferring.

8. **DISMISSAL OF THE ACTION AND NOTICE OF SETTLEMENT.** Promptly upon execution of this Agreement, Torres will file with the Court a Notice of Settlement of the Action consistent with rules of court. The Parties will jointly request that the Court vacate all current deadlines and court dates set in the Action. Promptly upon completion of the transfers described in section 4 above, the parties will execute and file a stipulation pursuant to Federal Rules of Civil Procedure, Rule 41, to dismiss the Action with prejudice.

9. **MUTUAL RELEASE.** As further consideration, the Parties mutually and generally release all other Parties all actions, claims, actions, causes of action, suits, administrative complaints or actions, contracts, rights, agreements, contended agreements, including without limitation the claims in the Action or which could have been made in the Action, known or unknown, to the date of this Agreement. This is a release of both known and

unknown claims. Each party to this Agreement expressly assumes the risk that its/his/her present knowledge is incomplete, and that there may be claims that could be asserted against another party that are not presently known. Nevertheless, each party releases such unknown claims as part of this Agreement. The Parties expressly waive and give up any rights they may have under California Civil Code section 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

As used in this paragraph 9, "Parties" includes all successors in interest, agents, employees, partners, officers, directors, shareholders, affiliates, heirs, attorneys and representatives of any kind.

10. PREPARATION AND EXECUTION OF FURTHER DOCUMENTS. This Agreement entails preparation and execution of further agreements, and further actions, to effectuate its terms to completion. The Parties agree to act diligently and cooperatively in good faith to complete the further actions needed to effectuate the transfers called for herein.

11. BINDING EFFECT. Notwithstanding that other actions and agreements are needed to effectuate the transfers called for in this Agreement, the present Agreement is fully and presently binding and enforceable immediately upon execution by all Parties.

12. EXECUTION IN COUNTERPARTS. This Agreement may be executed in counterparts. A signed copy is equally enforceable to an original. All Parties warrant they have the authority to execute this Agreement and that the consents of no other parties are needed.

13. INTERPRETATION AND ENFORCEMENT. This Agreement shall be interpreted according to California law. This Agreement may be enforced in the Action upon

motion, or by separate action for breach. The federal and state courts having jurisdiction over the County of Stanislaus shall have jurisdiction over any action or proceeding brought to enforce or interpret this Agreement.

14. ATTORNEYS' FEES, TAX CONSEQUENCES. Each Party assumes full responsibility for its own attorneys' fees and costs incurred in the Action. Each Party assumes full responsibility for his/its own tax consequences of the effectuation of this Agreement.

15. REPRESENTATION BY COUNSEL. Each party is represented by counsel who has advised that party about this Agreement.

Executed on the dates shown.

Dated: July __, 2020

NELSON F. GOMEZ, individually
and on behalf of La Favorita Radio
Network, Inc., and al stations owned
or operated by it

Dated: July __, 2020

DEBBIE L. GOMEZ

Dated; July __, 2020

August 8th



RICARDO TORRES

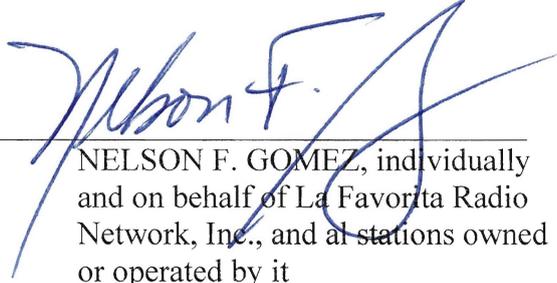
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Dated: July 31, 2020


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and on behalf of La Favorita Radio
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or operated by it

Dated: July 31, 2020


DEBBIE L. GOMEZ

Dated; July __, 2020

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