

## **AGREEMENT AND PLAN OF REORGANIZATION**

This Agreement and Plan of Reorganization (the "Agreement") is made the date hereinafter set forth by and among MARQUES COMMUNICATIONS, INC., an Arizona corporation (hereinafter "MARQUES"), PEDRO MARQUES, the sole shareholder of FIESTA RADIO, INC., an Arizona corporation (individually the "FIESTA SHAREHOLDER") and MELCHOR MARQUES, the sole shareholder of TORRE ALTA ENTERPRISES, INC., an Arizona corporation (individually the "TORRE ALTA SHAREHOLDER") and (collectively the "SHAREHOLDERS").

### **RECITALS**

A. FIESTA RADIO, INC. ("FIESTA") is engaged in the business of owning and operating *AM Radio Station 1400 KSUN*.

B. TORRE ALTA ENTERPRISES, INC. ("TORRE ALTA") owns the land upon which the broadcasting tower utilized by FIESTA is located and has entered into a lease agreement with FIESTA for the use of that tower.

C. FIESTA SHAREHOLDER and TORRE ALTA SHAREHOLDER are brothers and have generally owned all of their business assets in equal shares.

D. At the time FIESTA was formed, TORRE ALTA SHAREHOLDER was not a United States Citizen, which precluded him from having a fifty percent (50%) ownership in FIESTA at that time.

E. To compensate for FIESTA SHAREHOLDER owning FIESTA, TORRE ALTA SHAREHOLDER acquired TORRE ALTA.

F. Since TORRE ALTA SHAREHOLDER has become a United States Citizen, FIESTA SHAREHOLDER and TORRE ALTA SHAREHOLDER desire to bring the ownership of the two (2) companies under one (1) umbrella company ("MARQUES COMMUNICATIONS").

G. MARQUES COMMUNICATIONS wishes to acquire all of the issued and outstanding shares of FIESTA and TORRE ALTA in a transaction intending to qualify as a reorganization within the meaning of Section 368(a)(1)(B) of the Internal Revenue Code of 1954 as amended.

H. The SHAREHOLDERS believe that the values of their respective companies are essentially equal.

I. The SHAREHOLDERS desire in exchange for the ownership of the shares in their respective corporations to receive fifty percent (50%) each of the issued and outstanding shares of common stock of MARQUES COMMUNICATIONS.

NOW, THEREFORE, the parties hereby adopt this plan of reorganization and agree as follows:

1.0 Exchange of Stock.

1.1 Number of Exchanged Shares. FIESTA SHAREHOLDER agrees to transfer to MARQUES COMMUNICATIONS at the closing of this transaction (the "Closing") all of the issued and outstanding shares of common stock of FIESTA, represented by Certificate No. 2 in the amount of Twenty-One Thousand (21,000) shares of FIESTA's voting common stock, in exchange for Five Thousand (5,000) shares of the voting common stock of MARQUES COMMUNICATIONS, no par value, to be issued at the Closing to the FIESTA SHAREHOLDER. TORRE ALTA SHAREHOLDER agrees to transfer to MARQUES COMMUNICATIONS at the Closing of this transaction all of the issued and outstanding shares of common stock of TORRE ALTA, represented by Certificate No. 2 in the amount of Two Thousand One Hundred (2,100) shares of TORRE ALTA's voting common stock, in exchange for Five Thousand (5,000) shares of the voting common stock of MARQUES COMMUNICATIONS, no par value, to be issued at the Closing to the TORRE ALTA SHAREHOLDER.

1.2 Delivery of Certificates by SHAREHOLDERS. The transfer of FIESTA shares and TORRE ALTA Shares by the SHAREHOLDERS shall be effective by the delivery to MARQUES COMMUNICATIONS at the Closing of the Certificates in their respective companies representing the transferred shares endorsed in blank or accompanied by stock powers separate from certificates.

1.3 Further Assurances. At the Closing and from time to time thereafter, the SHAREHOLDERS shall execute such additional instruments and take such other action as MARQUES COMMUNICATIONS may request in order to more effectively sell, transfer and assign the transferred FIESTA shares and the transferred TORRE ALTA shares to MARQUES COMMUNICATIONS and to confirm MARQUES COMMUNICATIONS' title to said shares.

2.0 Closing.

2.1 Actual Closing Date. The Closing contemplated by Section 1.1 shall be held at the offices of MARGRAVE CELMINS, P.C., 7201 E. Camelback Rd., Suite 330, Scottsdale, Arizona 85251, on the later to occur of January 2, 2003 at 2:00 p.m. or the

date of F.C.C. approval of the transfer of FIESTA control or at such other place, date and time as agreed upon in writing by the parties.

**2.2 Effective Closing Date.** The effective date of closing for income tax and accounting purposes shall be 12:01 a.m., January 1, 2003.

**3.0 Representations and Warranties of the SHAREHOLDERS.** FIESTA SHAREHOLDER with respect to FIESTA only and TORRE ALTA SHAREHOLDER with respect to TORRE ALTA only represent and warrant to MARQUES COMMUNICATIONS as follows:

**3.1 Corporate Status.** FIESTA and TORRE ALTA are corporations duly organized, validly existing and in good standing under the laws of the State of Arizona.

**3.2 Capitalization.** The authorized capital stock of FIESTA consists of One Million (1,000,000) shares of common stock with a par value of One Dollar (\$1.00) per share of which Twenty-One Thousand (21,000) shares are issued and outstanding. The authorized capital stock of TORRE ALTA consists of One Hundred Thousand (100,000) shares of common stock with no par value of which Two Thousand One Hundred (2,100) shares are issued and outstanding.

**3.3 Title to Property.** FIESTA and TORRE ALTA respectively, have good and marketable title to all of their properties and assets, real and personal, reflected on each corporation's latest balance sheet, except as since sold or otherwise disposed of in the ordinary course of business. Each corporation's properties and assets are subject to no liens or encumbrances other than those shown on the respective balance sheets and with respect to which no defaults exist.

**3.4 Litigation.** There is no litigation or proceeding pending, or to each SHAREHOLDER's knowledge, threatened against or relating to the respective corporations and that corporation's properties or business, except as may be set forth in a list certified by the President of FIESTA and the President of TORRE ALTA and delivered to MARQUES COMMUNICATIONS prior to the Closing.

**3.5 Title to Shares.** The FIESTA SHAREHOLDER is the owner, free and clear of any liens and encumbrances of the number of FIESTA shares which he has contracted to exchange. The TORRE ALTA SHAREHOLDER is the owner, free and clear of any liens and encumbrances of the number of TORRE ALTA shares which he has contracted to exchange.

3.6 General Release. If requested by MARQUES COMMUNICATIONS, FIESTA, TORRE ALTA and the SHAREHOLDERS will execute a mutual release of all claims.

**4.0 Representations, Warranties and Covenants of MARQUES COMMUNICATIONS.**

4.1 Corporate Status. MARQUES INVESTMENTS is a corporation duly organized, validly existing and in good standing under the laws of the State of Arizona.

4.2 Capitalization. The authorized capital stock of MARQUES COMMUNICATIONS consists of One Hundred Thousand (100,000) shares of common stock with no par value of which no shares are currently issued and outstanding.

4.3 Litigation. There is no litigation or proceeding pending, or to the knowledge of any parties to this Agreement, threatened against or relating to MARQUES COMMUNICATIONS, except as set forth in a list certified by the President of MARQUES COMMUNICATIONS and delivered to the other parties.

4.4 Investment Intent. MARQUES COMMUNICATIONS is acquiring the FIESTA shares and the TORRE ALTA shares to be transferred to it under this Agreement for investment and not with a view to the sale or distribution thereof, and MARQUES COMMUNICATIONS has no commitment or present intention to liquidate FIESTA or TORRE ALTA or to sell or otherwise dispose of their stock.

4.5 Corporate Authority. MARQUES COMMUNICATIONS has full corporate power and authority to enter into this Agreement and to carry out its obligations hereunder and will deliver to the SHAREHOLDERS at the Closing, a certified copy of resolutions of its board of directors authorizing execution of this Agreement by its officers and performance thereunder.

4.6 Due Authorization. Execution of this Agreement and performance by MARQUES COMMUNICATIONS hereunder has been duly authorized by all requisite corporate action on the part of MARQUES COMMUNICATIONS, and this Agreement constitutes a valid and binding obligation of MARQUES COMMUNICATIONS and performance hereunder will not violate any provisions of MARQUES COMMUNICATIONS, articles of incorporation, bylaws, agreements or other commitments.

4.7 Shares to be Issued. The shares to be issued by MARQUES COMMUNICATIONS at the Closing to FIESTA SHAREHOLDER and TORRE ALTA SHAREHOLDER shall be fully paid and non-assessable.

**5.0 Conduct of FIESTA and TORRE ALTA pending the Closing.** FIESTA and TORRE ALTA covenant that between the date of this Agreement and the Closing, each of them shall observe the following:

**5.1 Articles of Incorporation and Bylaws.** No change will be made in the articles of incorporation or bylaws of either corporation without the written consent of the other party.

**5.2 Capitalization.** Neither corporation will make any change in its authorized or issued capital stock, declare or pay any dividends or other distributions or issue, encumber, purchase or otherwise acquire any of its capital stock.

**5.3 Approval.** FIESTA will submit this Agreement to its SHAREHOLDERS for approval with a favorable recommendation by its board of directors for approval of the transactions contemplated hereby.

**5.4 Conduct of Business.** Each corporation will use its best efforts to maintain and preserve its business organization, employee relationships and goodwill and tact and will not, without the written consent of the other party, enter into any material commitment except in the ordinary course of business or increase, directly or indirectly, the compensation of any principal officer.

**6.0 Conditions Precedent - MARQUES COMMUNICATIONS.** All obligations of MARQUES COMMUNICATIONS under this Agreement are subject, at its option, to fulfillment before or at the Closing of each of the following conditions:

**6.1 Representations and Warranties True at Closing.** The SHAREHOLDERS' representations and warranties with respect to FIESTA and TORRE ALTA, respectively, contained in this Agreement shall be deemed to have been made against and as of the Closing and shall then be true in all material respects.

**6.2 Required Performance.** The SHAREHOLDERS shall have performed and complied with all of the terms and conditions required by this Agreement.

**6.3 Acceptance by SHAREHOLDERS.** The terms of this Agreement shall have been accepted by the SHAREHOLDERS on behalf of their respective companies.

**7.0 Conditions Precedent - SHAREHOLDERS.** All obligations of the SHAREHOLDERS under this Agreement are subject, at their option, to the fulfillment before or at the Closing of each of the following conditions:

7.1 Representations and Warranties True at Closing. MARQUES COMMUNICATIONS' representations and warranties contained in this Agreement shall be deemed to have been made against at and as of the Closing and shall then be true in all material respects.

7.2 Required Performance. MARQUES COMMUNICATIONS shall have performed and complied with all of the terms and conditions required by this Agreement.

8.0 Termination. This Agreement may be terminated by mutual consent in writing (1) by either the SHAREHOLDERS or MARQUES COMMUNICATIONS if there has been a material misrepresentation or material breach of any warranty or covenant by the other party; or (2) by either the SHAREHOLDERS or MARQUES COMMUNICATIONS if the Closing shall have taken place, unless adjourned to a later date by mutual consent in writing, by February 28, 2003.

9.0 Notices. Notices required or permitted hereunder shall be given in writing and personally delivered, sent by facsimile, sent by registered or certified mail, return receipt requested, postage prepaid or sent by a nationally recognized overnight courier service (e.g., Federal Express, DHL) addressed as follows:

To MARQUES COMMUNICATIONS: MARQUES COMMUNICATIONS, INC.  
714 N. 3<sup>rd</sup> St.  
Phoenix, Arizona 85004

To PM: PEDRO MARQUES  
714 N. 3<sup>rd</sup> St.  
Phoenix, Arizona 85004

To MM: MELCHOR MARQUES  
714 N. 3<sup>rd</sup> St.  
Phoenix, Arizona 85004

or at any other address designated by it or him in writing, and any such notice of communication shall be deemed to have been given as of the date of delivery, if hand or courier delivered or faxed, as of three (3) days after the date of mailing, if mailed certified, return receipt requested, postage prepaid. No such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it is actually received by the intended recipient. A facsimile shall be deemed to have been received when the facsimile is transmitted to the appropriate number and confirmation of complete receipt is received by that transmitting party during normal business hours or on the next business day if not confirmed during normal business hours.

10.0 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective parties hereto, their legal representatives, successors and assigns.

11.0 Entire Agreement. This Agreement supersedes all Agreements previously made between the parties hereto relating to its subject matter. There are no other understandings or Agreements between them.

12.0 Amendments. This Agreement may be amended only by a written document executed by the parties hereto.

13.0 Non-waiver. No delay or failure by any party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein. Time is of the essence with respect to each and every provision of this Agreement.

14.0 Headings. Headings in the Agreement are for convenience only and shall not be used to interpret or construe its provisions.

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

16.0 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which together shall be deemed an original but all of which together shall be one and the same instrument.

17.0 Attorney's Fees. The prevailing party in any action brought to interpret or enforce the provisions of this Agreement shall be entitled to recover all of its costs in investigating such party's claim and enforcing the Agreement, including reasonable attorney's fees.

18.0 Costs. Each party shall pay its costs and fees incurred by it for professionals, including attorneys, in the negotiation, drafting, and closing of this Agreement.

SIGNATURES TO FOLLOW ON NEXT PAGE

DATED this 12<sup>TH</sup> day of December, 2002.

Pedro Marques  
MARQUES:

MARQUES COMMUNICATIONS, INC.,  
an Arizona corporation

By: Pedro Marques  
PEDRO MARQUES  
Its: President

FIESTA SHAREHOLDER:

Pedro Marques  
PEDRO MARQUES

TORRE ALTA SHAREHOLDER:

Melchor Marques  
MELCHOR MARQUES

The undersigned hereby agrees to be bound by the terms and conditions of this Agreement as applicable to them.

FIESTA RADIO, INC.,  
an Arizona corporation

By: Pedro Marques  
PEDRO MARQUES  
Its: President

Date Signed: 12/12/02

TORRE ALTA ENTERPRISES, INC.,  
an Arizona corporation

By: Melchor Marques  
MELCHOR MARQUES  
Its: President

Date Signed: 12/12/02 Melchor Marques