

ASSET PURCHASE AGREEMENT

by and between

REDWOOD BROADCASTING COMPANY, INC.

and

LOST COAST COMMUNICATIONS, INC.

for the Sale and Purchase of

*Stations KXGO(FM), Arcata, California, Facility No. 71700 and
K233AW, Fortuna, California, Facility No. 138001*

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (“Agreement”), made and entered into as of this 27th day of January, 2010, by and among **REDWOOD BROADCASTING COMPANY, INC.**, a corporation organized under the laws of the State of California (“Seller”), and **LOST COAST COMMUNICATIONS, INC.**, a corporation organized under the laws of the State of California, or its assigns (“Buyer”).

WITNESSETH:

WHEREAS, Seller is licensee of Stations KXGO(FM), Arcata, California, Facility No. 71700 and K233AW, Fortuna, California, Facility No. 138001 (the “Stations”); and

WHEREAS, Seller owns or leases and desires to sell and/or assign, and Buyer desires to purchase and/or assume certain of the assets, property and business used in the operation of the Stations; and

WHEREAS, the assignment of the licenses of the Stations is subject to the prior approval of the Federal Communications Commission (the “Commission”).

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

SECTION 1 **ASSETS TO BE SOLD**

1.1 On the Closing Date, Seller shall sell, assign, transfer, convey, set over, and deliver to Buyer, and Buyer shall purchase and/or accept assignment of the following (hereinafter collectively the “Assets”) free and clear of any security interests, claims, encumbrances, liens or liabilities except for Permitted Liens and the “Assumed Obligations” (as defined in paragraph 5.1). “Permitted Liens” shall consist only of (i) Liens for taxes, assessments, water and sewer charges, license fees, and all other fees, special assessments and charges assessed or imposed by a public body upon the Purchased Assets or any part thereof, provided such fees, assessments or taxes are not yet due and payable or are being contested in good faith in an appropriate proceeding and disclosed in **Schedule 1.1**; (ii) zoning laws and ordinances; (iii) rights reserved to any governmental authority to regulate the affected property; and (iv) those additional liens described on **Schedule 1.1**:

1.1.1 **Authorizations**. All licenses, permits and authorizations issued or granted by the Commission for the operation of, or used in connection with the operation of, the Stations and all applications filed with the Commission (hereinafter “Commission Authorizations”) which are listed in **Schedule 1.1.1**. All franchises, licenses, permits, and authorizations issued by any administrative body or licensing authority or governmental or regulatory agency, other than Commission Authorizations, used in connection with the operation of the Stations (hereinafter “Other Authorizations”) which are listed in **Schedule 1.1.1**.

1.1.2 **Tangible Personal Property**. All of Seller's rights in and to all fixed and tangible property used or held for use in the operation of the Stations, including but not limited to tangible personal property listed in **Schedule 1.1.2**, except as excluded pursuant to Section 1.2.9, together with replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Closing Date (hereinafter collectively the "Tangible Personal Property").

1.1.3 **Agreements**. All Seller's rights to and in the contracts and agreements to which Seller or the Stations is a party which are listed in **Schedule 1.1.3**, together with all contracts and agreements and leases, entered into or acquired by the Seller between the date hereof and the Closing Date which have been approved in writing by Buyer or otherwise not prohibited herein (hereinafter collectively "Agreements"), and all right, title and interest of Seller in and to all orders and agreements for the sale of advertising time and for the production of any programming on the Stations for cash, and all trade, barter and similar agreements for the sale of advertising time and for the production of any programming on the Stations other than for cash, and all such orders and agreements for advertising time entered into between the date hereof and the Closing Date, each in the ordinary course of business, and to the extent the foregoing have not been performed as of the Closing Date, in each case to which Seller or the Stations is a party and to be assumed by Buyer pursuant to this Agreement (hereinafter collectively "Advertising Contracts" and, together with the Agreements, the "Contracts"). The only agreements for advertising time for trade, barter, or similar arrangement that Buyer shall be required to assume are listed on **Schedule 1.1.3**.

1.1.4 **Intangibles**. All right, title and interest of Seller in and to logos, jingles, marketing plans, copyrights, trademarks, trade names, websites, domain names, and other intangible property of Seller set forth on **Schedule 1.1.4** attached hereto and made a part hereof (hereinafter collectively the "Intangibles"), and in any call sign associated with the Stations.

1.1.5 **Business Records**. Copies of financial records, engineering, advertising reports, programming studies, consulting reports, computing software, marketing data, and business and personnel records relating solely to the business or operation of the Stations (hereinafter collectively "Business Records") or to assets or agreements purchased or assumed by Buyer.

1.2 **Excluded Assets**. The Assets shall not include the following assets along with all rights, title and interest therein which shall be referred to as the "Excluded Assets":

1.2.1 All cash, cash equivalents or similar type investments of Seller, such as certificates of deposit, Treasury bills and other marketable securities on hand and/or in banks;

1.2.2 Seller's accounts receivable for services performed by Seller in connection with the operation of the Stations prior to Closing except to the extent provided in Section 1.5 ("Seller's Accounts Receivable");

1.2.3 All claims, rights and interest of Seller to any (i) refunds of taxes or fees of any nature whatsoever or (ii) deposits or utility deposits, which in each case relate solely to the period prior to the Closing Date;

1.2.4 All contracts that have terminated or expired prior to the Closing Date in the ordinary course of business or as permitted hereunder;

1.2.5 All contracts of Seller not assumed by Buyer;

1.2.6 Seller's records or materials relating to Seller generally and not substantially involving the Assets or operation of the Stations;

1.2.7 Contracts of insurance, including the cash surrender value thereof, and all insurance proceeds or claims made by Seller with respect to matters arising prior to the Closing Date; and

1.2.8 All pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller.

1.2.9 All tangible and intangible property (i) specifically listed on **Schedule 1.2.9**, or (ii) used by Seller in connection with the operation of Stations KJNY or K294AZ, if not otherwise listed as being assigned to Buyer in **Schedule 1.1.2**.

1.3 **Assignments of Contracts**. Buyer and Seller acknowledge that certain of the Contracts to be included in the Purchased Assets, and the rights and benefits thereunder necessary or appropriate or relating to the conduct of the business and activities of Seller and/or the Stations, may not, by their terms, be assignable. Such contracts are identified by an asterisk on **Schedule 1.1.3**. Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any such Contract so identified, and Buyer shall not be deemed to have assumed the same or to be required to perform any obligations thereunder, if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach thereof or in any way affect the rights under any such Contract of Buyer or Seller thereunder. Notwithstanding the foregoing, in such event, upon request of Buyer, Seller will cooperate with Buyer in all lawful ways to provide for Buyer all benefits to which Seller is entitled under such Contracts so long as Buyer undertakes to perform or cause to be performed the obligations of Seller under such Contracts, and any transfer or assignment to Buyer by Seller of any such Contract or any right or benefit arising thereunder or resulting therefrom which shall require the consent or approval of any third party shall be made subject to such consent or approval being obtained. Seller will use its best efforts prior to, and if requested by Buyer after, the Closing Date to obtain all necessary consents to the transfer and assignment of the Contracts. Buyer will cooperate with Seller, to the extent reasonably requested by Seller, to obtain any such consents, *provided, however*, that Buyer shall have no obligation to make substantial expenditures or grant any substantial financial accommodation to obtain any such consent. Consent to the assignment of all contracts marked with a double asterisk (the "Material

Contracts”) must be obtained as a condition precedent to Buyer’s obligation to close the transactions contemplated by this Agreement unless such consent is waived by Buyer.

1.4 **Satisfaction of Liens.** No later than ten business days prior to Closing, Seller shall complete a search for liens and encumbrances by a reputable lien search company, current as of 30 days from the anticipated Closing Date, the results of which shall be provided to Buyer. Prior to or at Closing (or if closing proceeds are to be used, within a reasonable period following assignment), Seller shall cause all Liens on or relating to any of the Purchased Assets (other than Permitted Liens), to be released, extinguished and discharged in full, and shall deliver to Buyer instruments releasing, extinguishing and discharging all such Liens, and all rights and claims of any holder(s) of any of such Liens with respect to any of the Purchased Assets, all in such form and substance as Buyer shall reasonably require (collectively the “Lien Release Instruments”). The cost of the lien search shall be borne by Seller.

1.5 **Collection of Accounts Receivable.** On the Closing Date, Seller shall provide Buyer with a listing of all of Seller’s accounts receivable as of that date (the “Seller Accounts Receivable”) and shall assign to Buyer the Accounts Receivable for purposes of collection only. For a period of One Hundred and Twenty (120) days following the Closing Date (the "Collection Period"), Buyer shall use such efforts as are reasonable and in the ordinary course of business to collect the Seller Accounts Receivable. This obligation, however, shall not extend to the institution of litigation, employment of counsel, or any other extraordinary means of collection. So long as the Seller Accounts Receivable are in Buyer's possession, neither Seller nor its agents shall make any solicitation of them for collection purposes or institute litigation for the collection of any amounts due thereunder. All payments received by Buyer during the Collection Period from any person or entity obligated with respect to any of the Seller Accounts Receivable shall be applied first to Seller's account, and only after full satisfaction thereof, to Buyer's account; provided, however, that if during the Collection Period any account debtor contests in writing the validity of its obligation with respect to any Seller Account Receivable, then Buyer shall return that Seller’s Account Receivable to Seller after which Seller shall be solely responsible for the collection thereof. Within ten (10) calendar days after the end of each calendar month during the Collection Period (or if such day is a weekend or holiday, on the next business day), Buyer shall furnish Seller with a list of the funds collected during the prior calendar month with respect to Seller Accounts Receivable and shall pay to Seller the full amount collected with respect to the Seller Accounts Receivable during such month. Conversely, within five (5) calendar days of such receipt, Seller shall report to Buyer the receipt of any payment received directed by Seller with respect to any of the Seller Accounts Receivable during the Collection Period.

Any of the Seller Accounts Receivable that are not collected during the Collection Period shall be reassigned to Seller at the end of the Collection Period, after which Buyer shall have no further obligation to Seller with respect to the Seller Accounts Receivable; provided, however, that all funds subsequently received by Buyer (without time limitation) that can be specifically identified, whether by accompanying invoice or otherwise, as a payment on any Seller Accounts Receivable belonging to Seller shall be promptly paid to Seller. Buyer shall not have the right to compromise, settle, or adjust the amounts of any of the Seller Accounts Receivable without Seller's prior written consent, or to withhold any proceeds of the or to retain any uncollected after the expiration of the Collection Period for any reason whatsoever. Seller shall be

responsible for the payment of all salesperson's, agency, and representative commissions due with respect to the Seller Accounts Receivable.

SECTION 2

PURCHASE PRICE AND TOWER LEASES

2.1 **Purchase Price.** In consideration of Seller's performance of this Agreement, the total purchase price (the "Purchase Price") to be paid by Buyer for the assets shall be Four Hundred and Fifty Thousand Dollars (\$450,000.00), as adjusted pursuant to Section 3, hereto. The Purchase Price shall be paid as follows:

(a) upon execution of this Agreement, Buyer shall place into escrow pursuant to a signed Escrow Agreement the sum of Forty-Five Thousand Dollars (\$45,000.00) (the "Deposit");

(b) at Closing, Buyer and Seller shall jointly instruct the Escrow Agent to deliver the Deposit, but not the interest thereon, to Seller and Buyer shall pay to Seller via same day wire transfer or certified check, the remainder of the Purchase Price, less the Hold Back (as defined in Section 6.4.3.

(c) ninety (90) days after Closing, the remainder of the Hold Back will be released to Seller in full satisfaction of the Purchase Price.

2.2 **KXGO Tower Lease.** In consideration of Buyer's performance under this Agreement, Seller also agrees to lease to Seller space for the KXGO facilities at the KXGO tower site (the "KXGO Transmitter Site Lease") pursuant to the terms of the KXGO Lease attached to **Schedule 6.4** hereof.

2.3 **Studio Site.** In consideration of Buyer's performance under this Agreement, Seller also agrees to allow Buyer to use the KXGO studios, rent free, for four (4) months after Closing.

2.4 **K233AW Transmitter Site.** In consideration of Buyer's performance under this Agreement, Seller also agrees to lease to Seller space for the K233AW transmitter and antenna at the licensed K233AW transmitter site (the "K233AW Transmitter Site Lease"), pursuant to the terms of the K233AW Lease attached to **Schedule 6.4.**

2.5 **Allocation of Purchase Price.** Seller and Buyer agree to allocate the Purchase Price among the Purchased Assets in accordance with the allocation schedule to be attached hereto as **Schedule 2.5**, which allocation schedule will be determined prior to the Closing (the "Allocation Schedule"). Seller and Buyer will each file an IRS Form 8594 consistent with the Allocation Schedule.

SECTION 3 **ADJUSTMENTS**

3.1 **Adjustment Time.** The “Adjustment Time” as used herein shall be 12:01 A.M. current local time on the Closing Date.

3.2 **Adjustment Items.**

3.2.1 The following items (the “Adjustment Items”) shall be prorated as of the Adjustment Time, assuming a 365-day year or a 28-day, 30-day or 31-day month, as appropriate, and monies shall be paid at Closing in accordance with Section 3.4 herein below.

(a) Rentals or other charges, payable or paid in respect of leasehold interests or tenancies, or leased transmitter sites, studios, offices or other Real Property or equipment under any lease or tenancy of Real Property, and any and all equipment leases described in **Schedule 1.1.3.**

(b) Personal property taxes, assessments (including sewerage assessments and fees), and annual Regulatory Fees levied or assessed against or otherwise paid or payable with respect to any of the Assets.

(c) Transferable license, permit, and registration fees, and like items.

(d) Charges for utilities (including but not limited to electricity, fuel, water, basic monthly telephone charges, long distance telephone calls, and sanitation and garbage disposal) furnished to or in connection with the Stations.

(e) License agreements with ASCAP, BMI and SESAC.

(f) Unpaid or prepaid obligations of Seller with respect to any, contract or agreement which Buyer assumes, including, without limitation, prepaid premiums on any insurance policies that Seller has agreed to assign to Buyer and Buyer elects to assume. Seller shall be compensated by Buyer for any Security Deposits, if any, previously paid by Seller for any such obligations in any amounts to which it is entitled; *provided, however*, that no adjustment will be made with respect to a net positive or negative balance under trade or barter contracts except to the extent that such positive or negative balance exceeds Five Thousand Dollars (\$5,000.00).

(g) Any revenue in any form (including, without limitation, cash and credit) received by Seller with respect to Buyer’s operation of the Stations after Closing.

(h) All other items of revenue or expense applicable to the Assets and/or attributable to the operations, advertising and/or the business of the Stations, it being the intention of the parties that all operations and the business of the Stations prior to the Adjustment Time shall be for the account of Seller, and all operations and business of the Stations after the Adjustment Time shall be for the account of Buyer.

3.2.2 If the amount of any personal property tax or other regulatory fee to be prorated is not known on the Closing Date, such tax or fee shall be apportioned on the basis of the most recent tax assessment or based on the fees due in the prior year.

3.3 Buyer shall not be obligated to assume any obligations with respect to Seller's employees. All obligations for unused vacation time, severance fees or other costs and expenses relating to Seller's employees shall be remain solely expenses and obligations of Seller.

3.4 **Adjustments After Closing Date.** Except as provided in Section 3.2.2, if the amount of any Adjustment Item(s) cannot be readily ascertained or agreed upon on the Closing Date, proration of such items shall be determined within sixty (60) days after the Closing Date and payment therefor shall be made to the party entitled thereto within five (5) business days after notice of such determination thereof has been given to Buyer or Seller, as the case may be. In the event of any disputes between the parties as to adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in this Section and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties. The accountant's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. The fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer.

SECTION 4 **APPLICATION TO AND CONSENT BY COMMISSION**

4.1 **Commission Consent.** Buyer and Seller acknowledge that consummation of the purchase and sale provided for herein and the performance of the obligations of Seller and Buyer under this Agreement is subject to the Commission's consent to the assignment of the Commission Authorizations from Seller to Buyer.

4.2 **Application For Commission Consent.**

(a) Seller and Buyer agree to proceed expeditiously and with due diligence and in good faith and to use their best efforts and to cooperate with each other in seeking the Commission's approval of the transactions contemplated hereunder. Within five (5) business days after the date of this Agreement, each party shall have prepared its portion of an application on FCC Form 314 and FCC Form 345 to request Commission consent to assign the Commission Authorizations from Seller to Buyer (the "Assignment Applications") and all information, data, exhibits, resolutions, statements, and other materials necessary and proper in connection with such Assignment Applications and shall have filed such portion of the Assignment Applications with the Commission. Each party further agrees expeditiously to prepare Assignment Applications amendments, respond to oral or written inquiries, and answer pleadings whenever such are required by the Commission or its rules.

(b) Each party shall bear its own expenses incurred for the preparation, filing and prosecution of the Assignment Applications. The parties agree that counsel for Buyer shall

file the Assignment Applications. All filing fees imposed by the Commission shall be paid one-half by Seller and one-half by Buyer.

(c) Each party agrees to comply with any condition imposed on it by the Commission, except that no party shall be required to comply with a condition that would have a material adverse effect upon it unless the condition was imposed as the result of a circumstances which constitutes a breach by that party of any of its representations, warranties, or covenants in this Agreement. Buyer and Seller shall oppose any efforts for reconsideration or judicial review of the grant by the Commission of the Assignment Applications (but nothing in this Section shall limit any party's right to terminate this Agreement in accordance with the terms herewith).

SECTION 5 **ASSUMPTIONS**

5.1 **Liabilities.** The Assets shall be sold and conveyed to Buyer free and clear of all liabilities (absolute or contingent), obligations, liens (including tax, mechanics' and materialmen's liens), pledges, conditional sales agreements, charges, mortgages, security interests, encumbrances and restrictions of any type or amount created or suffered by Seller prior to the Closing Date, whether existing now or in the future, except for (i) Permitted Liens, and (ii) liabilities being assumed under the Agreements and any executory obligation that exist for the broadcast of air time (the "Assumed Obligations").

5.2 **Buyer's Assumed Obligations.** Buyer covenants and agrees to assume at Closing and discharge following the Closing all of the unperformed duties of the Seller accruing after the Closing Date under the Assumed Obligations. Buyer shall assume such unperformed duties of Seller only to the extent that such duties accrue on or after Closing based on the operation of the Stations after the Closing Date. Except as specifically assumed by Buyer in this Agreement, Buyer is not agreeing to, and shall not, assume any other liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement ("Excluded Obligations").

5.3 **Seller's Liability.** Seller shall remain liable for, and covenants to pay, satisfy, or discharge when due, all Excluded Obligations and all liabilities, payments, obligations, and duties under the Agreements or other instruments transferred or assigned to Buyer hereunder, accruing prior to or by reason of events occurring prior to Closing.

SECTION 6 **REPRESENTATIONS WARRANTIES AND COVENANTS OF SELLER**

6.1 **Seller's Best Knowledge.** "To the best of Seller's knowledge" shall mean the actual knowledge of any of Seller's principals with respect to such subject matter.

6.2 **Standing.**

6.2.1 Seller is a corporation organized and in good standing under the laws of the State of California, and has the full power to own the assets and to carry on the business of the Stations as they are now being conducted and is qualified and in good standing in the State of California.

6.2.2 Seller has the full power and authority to enter into this Agreement and to execute all of Seller's Closing Documents that require Seller's signature.

6.3 **Binding Effect of Agreement.** This Agreement constitutes a valid and binding obligation of Seller enforceable against Seller in accordance with the terms of this Agreement. Upon execution, the Seller's Closing Documents will constitute valid and binding obligations of Seller enforceable against Seller in accordance with their terms except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally. The execution, delivery, and performance of this Agreement or any of the Closing Documents do not violate any provisions of Seller's Articles of Incorporation or By-Laws, or any contract provision or other commitment to which Seller or the Stations is a party or under which it or its property is bound, or any judgment or order of which Seller has received notice, and will not result in the creation or imposition of any lien, charge, security interest, or encumbrance of any nature whatsoever upon any of the Assets.

6.4 **Real and Tangible Personal Property.**

6.4.1 **KXGO Tower Site and K233AW Tower Site.** The real property leases attached hereto as **Schedule 6.4** accurately describe the real property used as the transmitter sites of KXGO and K233AW (together, the "Real Property"). The Real Property comprises all real property interests necessary to conduct the business or operations of the Stations as now conducted, for the periods stated therein, except as otherwise specified herein. Seller represents that the Real Property is accessible by public roads. To the best of Seller's knowledge the Real Property and the structures located thereon, and the present uses thereof, conform in all respects with all material restrictive covenants and with all applicable zoning, environmental, and building codes, laws, rules and regulations. There are no pending or, to the best of Seller's knowledge, threatened condemnation or eminent domain proceedings that may have a material adverse effect on Buyer's use of the real property for the operation of the Stations after Closing. There are no structural defects in the towers, buildings, structures and other improvements located on the real property. All utilities that are necessary for the present operation of the Stations have been connected to the Real Property and are in working order. To the best of Seller's knowledge, no utility lines serving the Stations pass over the lands of others except where appropriate easements or licenses have been obtained. Buyer's use and occupancy of the Real Property will comply in all material respects with all regulations, codes, ordinances, and statutes of all Governmental Authorities, including without limitation all zoning, health, environmental protection and sanitary regulations and all occupational safety and health regulations. The transmitting facilities of the Stations, including the tower, guy wires and ground systems, on the Closing Date will be located entirely on the confines of the Real Property, except that one guy wire is located on adjacent property pursuant to a lease.

6.4.2 **Tangible Personal Property.** **Schedule 1.1.2** attached hereto accurately lists all major items of Tangible Personal Property owned, leased, or otherwise held by the Seller for use in the operation of the Stations. Seller represents and warrants that the Tangible Personal Property being conveyed is sufficient to carry out the normal operations of the Stations. Except as permitted in Section 1.1.2, Seller is the owner of and at Closing, will have good, clear, marketable, and indefeasible title to all of the Tangible Personal Property being conveyed as described and listed in **Schedule 1.1.2**, free and clear of all liens, charges, encumbrances, debts, or claims of any kind or nature whatsoever. Prior to or simultaneously with Closing, Buyer shall acquire good, clear, marketable and indefensible title to any Leased Equipment and transfer said title to the Leased Equipment to Buyer, free and clear of all liens, charges, encumbrances, debts, or claims of any kind or nature whatsoever.

6.4.3 **Condition of Property.** At Closing, ownership of the Tangible Personal Property listed in **Schedule 1.1.2** (except as expressly noted therein) shall be transferred in good operating condition, reasonable wear and tear excepted, and any repairs or replacement of equipment necessary to maintain the Stations' operations in accordance with its Commission license and all Commission rules and regulations shall be at the expense of Seller. Seller shall make such repairs or adjustments to the items listed in **Schedule 6.4.3** prior to Closing. Moreover, in the event the Stations' transmitters shall fail within 90 days of Closing, such transmitter shall be repaired at the expense of Seller. During that 90-day period (the "Repair Period"), Twenty-Five Thousand Dollars (\$25,000.00) of the Purchase Price shall be held back in escrow for any necessary completion of repairs or adjustments to the Stations not completed prior to Closing and for repairs of the transmitters (the "Hold Back"). In the event that Buyer discovers during the Repair Period that any repairs or adjustments listed on **Schedule 6.4.3** have not been made or the KXGO transmitter requires further repairs during the Repair Period, Buyer shall give Seller and Escrow Agent written notice of the further adjustments or repairs necessary accompanied by an itemization of the anticipated cost of such adjustments or repairs, and Escrow Agent shall be permitted to release to Buyer such portions of the Hold Back as are necessary to effectuate the adjustments or repairs.

Seller warrants that at Closing the stations' equipment will be sufficient to operate the Stations at full power, in accordance with its Commission Authorizations, and that the equipment is currently operating in material compliance with Commission rules, regulations and policies except as indicated in **Schedule 6.4.3**. Except for the Excluded Assets, Seller does not have any material assets used, held for use in, or required for, the conduct of the business of the Stations as they are presently being conducted which are not set forth in the schedules hereto or otherwise described in Section 1.1 hereof, and the Assets include all of the assets necessary for the business of the Stations as they are currently conducted by Seller.

6.5 **Agreements.** **Schedule 1.1.3** accurately lists all agreements, leases and other contracts (or, when the same are oral, a complete and correct description thereof) with respect to the Stations to be conveyed hereby to Buyer (except for contracts for the sale of advertising time for cash on the Stations sold substantially at rates and upon terms consistent with the Stations' customary and normal selling business practices) to which, as of the date hereof, Seller and/or

the Stations are a party or by which Seller and/or the Stations may be bound or obligated in any way.

6.6 **Authorizations.** Seller is the authorized legal holder of all licenses, permits, and authorizations necessary to operate the business of the Stations as they are now being conducted, including, without limitation, all Commission Authorizations and all Other Authorizations listed in **Schedule 1.1.1**, none of which is subject to any restrictions or conditions which limit in any respect the operation of the Stations as now operated. All such Commission Authorizations are validly existing authorizations for the operation of the facilities described therein. Except as set forth in **Schedule 6.6**, Seller is operating the Stations substantially in accordance with all material terms of the Commission Authorizations, the underlying construction permits and all rules, regulations and policies of the Commission. There is no action pending or to the best of Seller's knowledge threatened before the Commission or other body to revoke, refuse to renew, suspend or modify any of the Commission Authorizations or any Other Authorization or, except as set forth in **Schedule 6.6**, any action which may result in the denial of any pending applications, the issuance of any cease and desist orders, or the imposition of any administrative sanctions whatsoever with respect to the Stations or their operation.

6.7 **Litigation and Insurance.**

6.7.1 **Litigation; Compliance With Law.** Except as set forth in **Schedule 6.7.1** or **Schedule 6.6**, to the best of Seller's knowledge, the Stations are in compliance in all material respects with all applicable federal, state and local laws, ordinances and regulations, including compliance with the Communications Act and all rules and regulations issued thereunder. Except for proceedings affecting segments of the broadcasting industry in general, except as set forth in **Schedule 6.7.1** there is no complaint, claim, litigation, investigation, or judicial, administrative, or other proceeding of any nature, including, without limitation, a grievance, arbitration, or insolvency or bankruptcy proceeding, pending or to the best of Seller's knowledge threatened against the Stations, Seller, or any of the Assets being sold or transferred to Buyer, which may (a) adversely affect the Assets or the Commission Authorizations to be assigned hereunder, or the operation of the Stations in substantially the same manner as it is currently operated, or the ability of Buyer to own and operate the Stations in substantially the same manner as they are currently operated, or the use, ownership, or operation of any of the Assets by Buyer in substantially the same manner as such Assets are currently used or operated, (b) restrain or enjoin the Closing or the consummation of the transactions contemplated hereby, or (c) result in the revocation, modification or suspension of the Commission Authorizations, or the issuance or imposition of any administrative sanction that might adversely affect the Assets or the Commission Authorizations, or the operation of the Stations or the ability of Buyer to own and operate the Stations in substantially the same manner as they are currently operated or the use, ownership, or operation of any of the Assets by Buyer in substantially the same manner as such Assets are currently used or operated. In addition, except as set forth in **Schedule 6.7.1**, there is no litigation, or proceeding or, to the best of Seller's knowledge, any investigation or proceeding that has been threatened, which would result in a material adverse effect upon the Stations or its business, operations, prospects or conditions (financial or otherwise). Seller will give Buyer prompt notice of its discovery of any such basis or the institution or the threat of any such litigation, investigation, or proceeding. Seller is not in default in respect to any judgment,

order, writ, injunction, decree, rule, or regulation of any applicable court or governmental body, which default could have a materially adverse effect on the Assets or the Stations.

6.7.2 **Insurance**. All of the Tangible Personal Property, including the Tangible Personal Property listed in **Schedule 1.1.2** is insured, and such insurance includes public liability insurance for the Stations, and such policies are in full force and effect.

6.8 **Taxes and Other Matters**.

6.8.1 **Payment of Taxes**. All returns and reports concerning franchise taxes, unemployment insurance, withholding and payroll taxes, sales taxes, personal property taxes, license taxes, social security taxes, and all other reports required to have been filed by the Seller relating to the Assets, the Stations, and/or their operation pursuant to any law or regulation have which, if not filed, would adversely affect Buyer's full enjoyment and/or benefit of the Assets, have been duly filed, and all taxes, interest, assessments, and penalties which are due to any taxing authority, federal, state, or local, with respect to any tax period ending on or prior to the making of this warranty which, if not paid, would adversely affect Buyer's full enjoyment and/or benefit of the Assets, have been duly paid.

6.8.2 **Bankruptcy**. No voluntary or, to Seller's knowledge, involuntary petition in bankruptcy, receivership, insolvency, or reorganization with respect to Seller, or petition to appoint a receiver or trustee of Seller's property, has been filed by or, to Seller's knowledge, against Seller. Seller has not made any assignment for the benefit of its creditors, and has not permitted any judgment, execution, attachment or levy against it or against any of its properties to remain outstanding or unsatisfied for more than thirty (30) days.

6.8.3 **OSHA Matters**. There is no liability that will be attached to Buyer due to any violation by Seller of the Occupational Safety and Health Act ("OSHA"). To the best of Seller's knowledge, Seller is in compliance with the requirements of the OSHA and the regulations promulgated thereunder and any similar laws or regulations of any state or local jurisdiction ("OSHA"). Seller has not received any citation from the Occupational Safety and Health Administration or any comparable administration of any state or local jurisdiction (an "Administration") or any Administration inspector setting forth any respect in which the facilities or operation of Seller are not in compliance with OSHA, or the regulations under such act, which non-compliance has not been corrected or remedied to the satisfaction of such Administration or inspector. Seller has heretofore furnished to Buyer copies of all citations heretofore issued to Seller and relating to the Stations under OSHA and copies of all correspondence from and to such Administration and any Administration inspectors during the past three (3) years.

6.8.4 **No Liabilities Attaching to Buyer**. Except as expressly provided in this Agreement, there are no liabilities of any kind or nature whatsoever of Seller that attach or will, after the consummation of the transaction contemplated hereby, attach to Buyer, including, without limitation, any liability for or arising out of: (a) employee withholding, (b) worker's compensation, or (c) unemployment compensation.

6.8.5 **No Untrue Statements or Omission**. No representation or warranty made by Seller in this Agreement or any Schedule, exhibit, statement, certificate, or other document heretofore or hereafter furnished by Seller, or on its behalf, to Buyer and pursuant to this Agreement or in connection with the transactions contemplated hereby contains or will contain any knowingly untrue statement or knowingly omits to state a material fact necessary to make the statements contained therein not misleading. All representations and warranties of Seller set forth in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as if made on that date.

SECTION 7

WARRANTIES, REPRESENTATIONS AND COVENANTS OF BUYER

Buyer covenants, represents, and warrants as follows:

7.1 **Organization and Standing**. Buyer is a corporation organized and in good standing under the laws of the State of California.

7.2 **Authorization and Binding Obligation**. Buyer has all necessary power and authority to enter into this Agreement and all of Buyer's Closing Documents that require Buyer's signature. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and the Buyer's Closing Documents (on the Closing Date) are or will be authorized by all necessary actions of Buyer. This Agreement constitutes a valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms of this Agreement. Upon execution, the Buyer's Closing Documents will constitute valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms.

7.3 **No Contravention**. The execution, delivery, and performance of this Agreement or any of the Closing Documents do not violate Buyer's Articles of Incorporation of By-Laws or any contract provision or other commitment to which Buyer is a party or under which it or its property is bound, or any judgment or order except as contemplated herein.

7.4 **Litigation**. Except for administrative rule making or other proceedings of general applicability to the broadcast industry, there is no litigation, proceeding, judgment, claim, action, investigation or complaint threatened against or affecting it which would affect Buyer's authority or ability to carry out this Agreement.

7.5 **Buyer's Qualifications**. There is no fact that would, under present law (including the Communications Act of 1934, as amended) and the present rules and regulations of the Commission, disqualify Buyer from being the assignee of the Stations. Buyer is financially qualified to fully and timely consummate the transaction contemplated herein.

7.6 **No Untrue Statements or Omission**. No representation or warranty made by Buyer in this Agreement or any Schedule, exhibit, statement, certificate, or other document heretofore or hereafter furnished to Seller and pursuant to this Agreement or in connection with the transaction contemplated hereby contains or will contain any knowingly untrue statement or

knowingly omits to state a material fact necessary to make the statement contained therein not misleading. All representations and warranties of Buyer set forth in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as if made on that date.

SECTION 8
SELLER'S CONDUCT OF BUSINESS PRIOR
TO CLOSING AND BUYER'S ACCESS TO INFORMATION

8.1 **Affirmative Covenants of Seller.** From the date of this Agreement until the Closing Date, Seller shall have complete control and supervision of and sole responsibility for the Stations or their operation, and during such period, Seller shall:

8.1.1 Operate the Stations in accordance in all material respects with the rules and regulations of the Commission, the Commission Authorizations and the Other Authorizations and file all ownership reports, employment reports and other documents required to be filed during such period and maintain copies of the Stations' required filings.

8.1.2 Maintain all of the Tangible Personal Property, as specified in **Schedule 1.1.2**, so that when the same are delivered to Buyer they shall satisfy all the warranties in all material respects on the part of Seller set forth herein, subject to reasonable wear and tear.

8.1.3 Maintain the existing inventory levels of the Stations (including spare parts, tubes, equipment and the like) and shall replace inventory items expended, depleted or worn out.

8.1.4 Operate the Stations in the ordinary course of business and substantially in the same manner as heretofore operated, including entering into such agreements as are consistent with Seller's past practice.

8.1.5 Use its best efforts to keep the Stations and their Assets and properties substantially intact, including their present operations and physical facilities.

8.1.6 Deliver to Buyer within ten (10) business days after filing thereof with the Commission copies of any and all reports, applications, and/or responses relating to the Stations which are filed with the Commission on or prior to the Closing Date, including a copy of any Commission inquiries to which the filing is responsive (in the event of an oral Commission inquiry, Seller will furnish a written summary thereof).

8.1.7 Give prompt notice to Buyer of any occurrence that comes to Seller's attention that may constitute a misrepresentation, breach of warranty, or nonfulfillment of any covenant or condition on the part of the Seller or Buyer contained in this Agreement.

8.2 **Negative Covenants of Seller.** Between the date hereof and the Closing Date, Seller shall not, with respect to the Assets, the Stations, or the operation thereof, without the consent of Buyer, which consent shall not be unreasonably withheld:

8.2.1 By any act or omission surrender, modify adversely, forfeit, or fail to renew under regular terms the Commission Authorizations or any Other Authorizations with respect to the Stations or give the Commission grounds to institute any proceeding for the revocation, suspension or modification of any such Commission Authorization, or fail to prosecute with due diligence any pending applications with respect to such Commission Authorizations.

8.2.2 Other than in the usual and ordinary course of business, sell or dispose of any of the Assets; Seller shall replace all Assets thus disposed of in the usual and ordinary course of business with assets having utility at least equal to the utility of the Assets sold or otherwise disposed of.

8.2.3 Create or suffer or permit the creation of any mortgage, conditional sales agreement, security interest, lien, hypothecation, pledge, encumbrance, restriction, liability, charge, claim or imperfection of title on any of the Assets or with respect thereto.

8.2.4 Fail to repair or maintain any of its transmission, studio, and other technical equipment or any other equipment, supplies, and other Tangible Personal Property used or usable in the operations of the Stations in accordance with Seller's normal standards of maintenance.

8.3 **Failure of Broadcast Transmissions.** Buyer shall give prompt written notice to Seller if any of the following (a "Specified Event") shall occur and continue for a period in excess of seventy-two hours: (i) the transmission of the regular broadcast programming of the Stations in the normal and usual manner is interrupted or discontinued; or (ii) is operated at less than ninety percent (90%) of its licensed power. Unless such event is due to the actions of Buyer, if any three or more Specified Events occur prior to the Closing Date, then Buyer may, at its option: (i) terminate this Agreement, or (ii) proceed in the manner set forth in Paragraph 16.1 or 16.2.

8.4 **Access to Equipment and Information.** Between the date hereof and the Closing Date, Seller will give to Buyer and its authorized representatives and agents, including engineers, accountants, lawyers, and other representatives, reasonable access by prior appointment during reasonable business hours to the Assets. Seller shall furnish to Buyer such information and materials concerning the Stations' affairs as Buyer may reasonably request, so far as such access, information and materials pertain to the operation of the Stations. Seller also agrees that prior to the Closing Date, Buyer's engineer may inspect the equipment of the Stations to insure that the equipment complies with all warranties and conditions set forth in Section 6. Seller agrees to extend full cooperation to said engineer, including such access to the equipment and to logs pertaining thereto at such time or times as said engineer shall reasonably request.

8.5 **Employment Offers.** From and after the execution of this Agreement, the Seller will not take any action to preclude or discourage any of the Seller's employees from accepting an offer of employment extended by the Buyer.

8.6 **Restrictions on Buyer.** Nothing contained in this Agreement shall give Buyer any right to control the programming or operations of the Stations prior to the Closing Date and Seller shall have complete control of the programming and operation of the Stations between the date hereof and the Closing Date and shall operate the Stations in conformity with the requirements of law and this Agreement.

8.7 **Buyer's Covenants.** From the date of this Agreement until the Closing Date, Buyer covenants that it will take no action, or fail to take any action, that would disqualify it from becoming the licensee of the Stations or delay the grant of the Assignment Applications by the Commission. Furthermore, Buyer shall give prompt notice to Seller of any occurrence that comes to Buyer's attention that may constitute a misrepresentation, breach of warranty or nonfulfillment of any covenant or condition on the part of Buyer or Seller contained in this Agreement.

SECTION 9

CONDITIONS FOR CLOSING

9.1 **Closing.** The Closing of the transactions contemplated by this Agreement (the "Closing") shall take place on a date after the Assignment Application has been granted by the FCC's staff under delegated authority which is mutually agreeable to the parties, which date shall not in any event be more than five (5) business days after the date of the FCC action (the "Order") granting the Assignment Application and such action has become a Final Order, *provided, however*, that the parties shall not be obligated to proceed to Closing if the conditions precedent to Closing have not been satisfied or waived. For purposes of this Agreement, the term "Final Order" shall mean an order of the Commission which is not reversed, stayed, enjoined or set aside, and with respect to which no timely request for stay, reconsideration, review, rehearing or notice of appeal or determination to reconsider or review is pending, and as to which the time for filing any such request, petition or notice of appeal or for review by the Commission, and for any reconsideration, stay or setting aside by the Commission on its own motion or initiative, has expired. The Closing shall be accomplished on the Closing Date by exchanging the closing documents required by this Agreement and such other closing documents as the parties may reasonably require in person, by mail or air courier and by Buyer's delivery of the purchase price by wire transfer or physical delivery of a certified or cashier's check for the balance of the Purchase Price.

9.2 **Conditions Precedent to Obligations of Buyer.** The obligations of the Buyer under this Agreement are subject to the satisfaction of each of the following express conditions precedent (provided that Buyer may, at its election, waive any of such conditions on the Closing Date, notwithstanding that such condition is not fulfilled) on the Closing Date:

9.2.1 Seller shall have delivered to Buyer the Seller's Closing Documents as described in Section 10.1 below.

9.2.2 Each of the Seller's representations and warranties contained in this Agreement or in any Schedule, certificate, or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, shall be true and correct in

all material respects at and as of the Closing Date with the same force and effect as if each such representation or warranty were made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement.

9.2.3 Seller shall have performed and complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date and shall be in full compliance therewith on the Closing Date.

9.2.4 Seller shall be the holder of the Commission Authorizations listed in **Schedule 1.1.1**.

9.2.5 Seller shall have taken all internal and other actions necessary to consummate this transaction.

9.2.6 There shall be no material changes between **Schedule 1.1.2** and the inventory of Tangible Personal Property as of the Closing Date other than changes permitted or contemplated herein or that have been agreed to and accepted by Buyer, in its reasonable discretion.

9.2.7 If consent is required under the terms of such agreement, any parties to any Material Contract as designated pursuant to Section 1.3 shall have consented to the assignment of Seller's rights on terms substantially similar to the terms enjoyed by Seller at the time of execution of this Agreement.

9.2.8 The Commission shall have granted its consent to the Assignment Applications, and such consent shall have become a Final Order.

9.3 **Conditions Precedent to Obligations of Seller**. The performance of the obligations of the Seller under this Agreement is subject to the satisfaction of each of the following express conditions precedent, provided that Seller may, at its election, waive any of such conditions at Closing, notwithstanding that such condition is not fulfilled on the Closing Date:

9.3.1 Each of Buyer's representations and warranties contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, shall be true in all material respects at and as of Closing Date, as though each such representation or warranty was made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement.

9.3.2 Buyer shall perform all of the obligations set forth in Section 2 of this Agreement with respect to the payment of the Purchase Price, together with all other covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date and shall be in full compliance therewith on the Closing Date.

9.3.3 Buyer shall have agreed in form reasonably acceptable to Seller to assume all obligations under the Agreements assigned to Buyer arising on or after Closing.

9.3.4 The Commission shall have granted its consent to the Assignment Applications, and such consent shall be in full force and effect.

9.3.5 Buyer shall have taken all internal and other actions necessary to consummate this transaction

9.4 **Failure of Conditions Precedent to Obligations of Buyer.** In case of the failure of any of the conditions precedent described in Section 9.2 hereof, and if Seller, after application of the provisions of Section 16.2 hereof, has failed to cure same, Buyer shall have the right to terminate this Agreement without liability. In addition, if the failure of such condition precedent constitutes a material default by Seller, Buyer shall have the right, at its option, to exercise any or all of its rights or remedies for default provided in Section 16 hereof. Buyer shall not be deemed to have waived any failure by Seller to fulfill any of the conditions precedent described in Section 9.2 if Buyer does not have actual knowledge of such failure at the time of Closing.

9.5 **Failure of Conditions Precedent to Obligations of Seller.** In case of the failure of any of the conditions precedent described in Section 9.3 hereof, and if Buyer, after application of the provisions of Section 16.2 hereof, has failed to cure the same, Seller shall have the right to terminate this Agreement without liability. In addition, if the failure of such condition precedent results from a material default by Buyer, Seller shall have the right, at its option, to exercise any or all of its rights or remedies for default provided in Section 16 hereof. Seller shall not be deemed to have waived any failure by Buyer to fulfill any of the conditions precedent described in Section 9.3 if Seller does not have actual knowledge of such failure at the time of Closing.

SECTION 10 **OBLIGATIONS AT CLOSING**

10.1 **Closing Documents to be Delivered by Seller.** At the Closing, Seller shall deliver to Buyer the following (“Seller’s Closing Documents”):

10.1.1 An executed Bill of Sale in form and substance reasonably satisfactory to Buyer transferring to Buyer all Tangible Personal Property to be transferred hereunder, except as provided in Section 1.1.2 hereof.

10.1.2 An executed Assignment/Assumption Agreement in form and substance reasonably satisfactory to Buyer assigning to Buyer the Agreements and Intangibles to be assigned hereunder.

10.1.3 An executed Assignment of Licenses in form and substance reasonably satisfactory to counsel for Buyer assigning the Commission Authorizations to Buyer.

10.1.4 A certificate executed by Seller stating that (a) all of the representations and warranties of Seller set forth in this Agreement are in all material respects true, correct, and

accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Seller on or prior to the Closing Date have been performed in all material respects.

10.1.5 Copies of all material Business Records as described in Section 1.1.5 hereof, but excluding those described in Section 1.2.6 hereof.

10.1.6 The estoppel agreements described in Section 5.2.

10.2 **Closing Documents to be Delivered by Buyer.** At the Closing, in addition to that portion of the Purchase Price required to be paid at Closing, Buyer shall deliver to Seller the following (“Buyer’s Closing Documents”):

10.2.1 A certificate executed by Buyer stating that: (a) all of the representations and warranties of Buyer set forth in this Agreement are in all material respects true, correct, and accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Buyer on or prior to the Closing Date have been performed in all material respects.

10.2.2 An Assignment/Assumption Agreement executed by Buyer, in form and substance reasonably satisfactory to Seller.

SECTION 11 **BROKERAGE**

Seller and Buyer each represent and warrant to the other that other than Kalil & Co., it knows of no broker, finder, or intermediary who has been involved in the transactions provided for in this Agreement or who might be entitled to a fee or commission upon the consummation of such transactions. All brokerage obligations to be paid to Kalil & Co. shall be the sole obligation of Seller. Buyer and Seller hereby agree to indemnify each other from and against any claim of any such obligation or liability by any other person or entity, and any expense incurred in defending against any such claim, including reasonable attorneys’ fees, that shall have resulted from any conduct, activity, or action taken, or allegedly taken, by the indemnifying party.

SECTION 12 **INDEMNIFICATIONS**

12.1 **Breach of Seller’s Agreements, Representations, and Warranties.** For a period of one (1) year following the Closing, Seller shall reimburse Buyer for, and indemnify and hold harmless Buyer from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment, or expense (including without limitation, payments, fines, penalties, interest, taxes, assessments, and reasonable attorneys’ fees and accounting fees), contingent or otherwise, whether incurred or asserted prior to or after the Closing Date, arising out of or sustained by Buyer (except for a failure to discharge an Excluded Obligation, for which Buyer will be fully indemnified) up to the amount of \$175,000, by reason of:

(a) any breach of any warranty, representation, or agreement of Seller contained under this Agreement or in any certificate or other instrument furnished to Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(b) except for obligations or liabilities expressly assumed by Buyer herein, the operation of the Stations or the ownership of the Assets prior to Closing (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by Seller under any lease, contract, or agreement (other than the Agreements on or after Closing) or under the Agreements prior to Closing);

(c) except for obligations or liabilities expressly assumed by Buyer herein, any transaction entered into by Seller or arising in connection with the Stations or the operation of the business thereof or any of the Assets prior to the Closing; or

(d) any and all actions, suits, or proceedings, incident to any of the foregoing.

12.2 **Breach of Buyer's Agreements, Representations and Warranties.** For a period of one (1) year following the Closing, Buyer shall reimburse Seller for, and indemnify and hold harmless Seller from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment, or expense (including without being limited to, payments, fines, penalties, interest, taxes, assessments, reasonable attorneys' fees and accounting fees of any kind or nature), contingent or otherwise, arising out of or sustained by reason of:

(a) any breach of any warranty, representation, or agreement of Buyer contained under this Agreement or any certificate or other instrument furnished by Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(b) the operation of the Stations subsequent to Closing (including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed on or after Closing under the Agreements);

(c) any transaction entered into by Buyer or arising in connection with the Stations or the operation of the Stations subsequent to the Closing;

(d) any and all liabilities or obligations of Seller expressly assumed by Buyer pursuant to this Agreement; or

(e) any and all actions, suits, or proceedings incident to any of the foregoing.

12.3 **Notice of Claim.** All representations and warranties contained in this Agreement shall be deemed continuing representations and warranties and shall survive the Closing for a period of one year.. Any claim to indemnification in respect of a covenant or agreement shall be made within eighteen months of the Closing Date. Buyer and Seller agree to give prompt written notice to each other of any claim for indemnification under Sections 12.1 or 12.2 hereof ("Notice of Claim"), which amount is believed to be required to discharge the obligations of the indemnifying party resulting therefrom. Within ten (10) business days after having been given

the Notice of Claim, the indemnifying party may deliver to the other party (i) a written notice of objection to the payment of such claim (“Notice of Objection”), which Notice of Objection shall set forth the basis for such objection; or (ii) a written notice that the indemnifying party intends to defend against such claim in good faith (“Notice of Intention to Defend”). If such a Notice of Intention to Defend is delivered, the indemnifying party shall have the right to hold in abeyance its claim for indemnification if and so long as such defense is conducted by the indemnifying party at the latter’s expense in a manner effective to protect the indemnified party against such claim. If no Notice of Objection or Notice of Intention to Defend is given within the prescribed ten (10) business day period, the indemnifying party shall promptly pay to the indemnified party the amount set forth in the Notice of Claim. If the parties are unable to resolve any Notice of Claim and corresponding Notice of Objection, either party may take whatever action it deems reasonable, including without limitation, the filing of a claim, petition, or other pleading in a court of competent jurisdiction.

12.4 **Sole Remedy.** Except as provided to the contrary in this Agreement, the right to indemnification pursuant to this Section shall be the sole and exclusive remedy of each party following the Closing in connection with any breach or other violation by the other party of its representations, warranties, or covenants contained in this Agreement.

SECTION 13 **RISK OF LOSS**

The risk of any loss or damage to the Assets by fire, theft, breakage, explosion, earthquake, accident, flood, rain, storm, riot, act-of-God, or public enemy, or any other casualty or cause, reasonable wear and tear excepted, which impairs the ability of the Stations to broadcast is assumed and shall be borne by the Seller at all times before the Closing of this Agreement. If any such loss or damage occurs, Seller shall give prompt written notice of the loss or damage to Buyer and shall promptly take all steps to rebuild, replace, restore or repair any such damaged property at its own cost and expense. In the event that Seller does not fully replace or restore any such lost or damaged Asset or Assets having an aggregate replacement value of at least One Thousand Dollars (\$1,000) or which have a material adverse impact upon the operation of the Stations by the time the Closing otherwise would be held, and the cost of such replacements, restoration or repairs is in the aggregate Five Thousand Dollars (\$5,000) or less, the Closing shall occur as scheduled and the amount necessary to replace, restore or repair the damaged or lost property shall be credited against the Purchase Price to be paid to Seller. If the cost of such uncompleted replacement, restoration or repairs exceeds Five Thousand Dollars (\$5,000) in the aggregate, Buyer may, at its option, upon written notice to Seller, either (i) terminate this Agreement, or (ii) elect to close without restoration, in which event Seller will deliver all insurance proceeds paid or payable by reason of the loss or damage to Buyer. If Buyer terminates this Agreement under this Section, each party shall bear its own expenses.

SECTION 14 **FEES AND EXPENSES**

Each party shall pay its own attorneys’ fees and expenses which it initiates, creates, or incurs in connection with the negotiation, preparation and execution of this Agreement. Buyer

and Seller shall split equally the FCC filing fee associated with the Assignment Applications. All other expenses incurred in connection with this transaction shall be borne by the party incurring same.

SECTION 15 **BULK SALES LAW**

The parties do not believe that any bulk sales or fraudulent conveyance statute applies to the transactions contemplated by this Agreement. Buyer therefore waives compliance by Seller with the requirements of any such statutes, and Seller agrees to indemnify and hold Buyer harmless against any claim made against Buyer by any creditor of Seller as a result of a failure to comply with any such statute.

SECTION 16 **DEFAULT AND TERMINATION**

16.1 **Termination.** This Agreement may be terminated prior to the Closing by either Buyer or Seller as the case may be, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other promptly upon the occurrence of any of the following:

(a) by Seller or Buyer if the other is in material breach or default of its respective covenants, agreements, or other obligations herein, or if any of its representations herein are not true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate, and such breach is not timely cured as provided in Section 16.2, below;

(b) by Seller or Buyer if the Commission denies the Assignment Applications or any part thereof or designates any part thereof for a trial-type hearing;

(c) if by nine months from the date of execution of this Agreement (i) the Assignment Applications have not been consummated by the parties to this Agreement; or

(d) on the Closing Date, Seller or Buyer, as the case may be, have failed to comply with its obligations under Section 9.2 or 9.3 of this Agreement, and does not cure such failure within the period provided in Section 16.2.

16.2 A party shall be in “default” under this Agreement if it makes any material misrepresentation to the other party in connection with this Agreement, or materially breaches or fails to perform any of its representations, warranties, or covenants contained in this Agreement. Non-material breaches or failures shall not be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement. If either party believes the other to be in default hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default is not curable or has not been cured within fifteen (15) calendar days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith

efforts to cure the default within such fifteen (15) calendar day period and continues such efforts thereafter), then the party giving such notice may terminate this Agreement and/or exercise the remedies available to such party pursuant to this Agreement, subject to the right of the other party to contest such action through appropriate proceedings. Notwithstanding the foregoing, in the event of monetary default, time shall be of the essence, no notice shall be required or cure period afforded, and this Agreement may be terminated immediately.

16.3 Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, in addition to any other remedy to which it is entitled at law, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

SECTION 17 **SURVIVAL OF WARRANTIES**

17.1 All representations and warranties made by the parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement, and shall survive the Closing and remain operative and in full force and effect, for a period of one year following Closing.

17.2 Neither the acceptance nor the delivery of property hereunder shall constitute a waiver of any covenant, representation, warranty, agreement, obligation, undertaking, or indemnification of Seller or Buyer contained in this Agreement, all of which shall, unless otherwise specifically provided, survive the Closing hereunder in accordance with the terms of this Agreement and shall be binding upon and inure to the benefit of all of the parties hereto, their heirs, legal representatives, successors and assigns.

SECTION 18 **NOTICES**

18.1 Any notice, demand, or request required or permitted to be given under the provisions of the Agreement shall be in writing and shall be deemed to have been duly delivered on the date of personal delivery or on the date of delivery by email with a "read receipt" or other confirmation of delivery, or on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, and shall be deemed to have been received on the date of personal delivery or on the date set forth on the return receipt, to the following addresses:

If to Seller:

Mr. Pattison Christensen
Chairman
Redwood Broadcasting Company
603 F St.
Eureka, CA 95501

Email: pattison@thecarringtoncompany.com

With a copy (which shall not constitute notice) to:

David Tillotson, Esq.
The Law Office of David Tillotson
4606 Charleston Terrace, N.W.
Washington, DC 20007
Email: dtlaw@starpower.net

If to Buyer:

Mr. Patrick Cleary
President
Lost Coast Communications, Inc.
P.O. Box 25
Ferndale, CA 95536
Email: clearpat@gmail.com

With a copy (which shall not constitute notice) to:

Dan J. Alpert, Esq.
The Law Office of Dan J. Alpert
2120 N. 21st Rd.
Arlington, VA 22201
Email: dja@commlaw.tv

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as provided in this Section shall be invalid and shall have no force or effect.

SECTION 19 ENFORCEMENT OF REMEDIES; DISPUTES

Except for the right of either party to seek specific performance of this Agreement which shall be pursued in an appropriate court and the right of either party to enforce the provisions of or any determination made pursuant to this section, the parties agree to resolve any disputes arising out of or in connection with this Agreement as provided in this section.

19.1. **Appointment of Dispute Panel.** If any dispute is not resolved in the time permitted by this Agreement or, if no time is specified, within fifteen (15) calendar days of the date either party gives the other notice that it intends to invoke the provisions of this section, each party will immediately name one arbitrator who shall be a person with one of the following qualifications (a) substantial experience in radio ownership or management, (b) an attorney with substantial experience in connection with transactions of this nature, or (c) a radio broadcasting consultant, and, within five (5) business days of their appointment, the two arbitrators so selected

shall select a third arbitrator with similar qualifications (the "Dispute Panel"). In the event one party names an arbitrator within the time period specified herein and the other party fails to do so, the Dispute Panel shall be comprised of the sole arbitrator who was timely named who shall have the full power and authority to resolve the dispute pursuant to the provisions of this Article 14.

19.2. **Decision Process.** Each party may submit such materials as it may elect to the Dispute Panel provided that a copy of such material is delivered by hand or overnight courier to the other party. Neither party will contact any member of the Dispute Panel to discuss the dispute unless the other party is present in person or by conference telephone call or the other party consents. The Dispute Panel will request and review such information as its members deem necessary to resolve the dispute. The Dispute Panel and each party will treat all information received by it as confidential and will destroy such information when the dispute is resolved. The Dispute Panel will resolve the matters presented to it so as to give each Party the benefit of its bargain by applying the provisions of this Agreement and, to the extent the Agreement is not dispositive, the customs and practices which, in the view of Dispute Panel, are common to transactions of this nature. The Dispute Panel will render its decision as soon as possible, but in any event, within thirty (30) calendar days of the appointment of the third expert. The decision will be in writing and signed by each member of the dispute panel. The decision may include an award of damages as permitted by this Agreement. Any third party may rely upon an original copy of the written decision or a copy of the decision certified by any member of the Dispute Panel as evidence of the decision.

19.3. **Binding Effect.** The decision of a majority of the members of the Dispute Panel will be binding and final with respect to both parties and may be enforced by seeking preliminary and permanent injunctive relief or entry of a judgment by a court of competent jurisdiction.

19.4. **Costs and Fees.** Each party will bear the costs and fees of the expert appointed by it plus half of the costs and expenses of the third expert; provided that in an action for specific performance, the losing party shall pay the costs and fees of the prevailing party. If the Dispute Panel determines by majority decision that the position of a party lacks substantial merit or was taken primarily to delay or otherwise impair the business efforts of the other party, then that party will pay the costs and fees of all the members of the panel plus the other party's reasonable attorney's fees.

19.5. **Venue.** Unless the parties otherwise agree, the venue for any proceedings of the Dispute Panel shall be Arcata, California.

SECTION 20 **MISCELLANEOUS**

20.1 **Headings.** The headings of the Sections of this Agreement are for convenience of reference only, and do not form a part thereof, and do not in any way modify, interpret or construe the meaning of the sections themselves or the intentions of the parties.

20.2 **Entire Agreement.** This Agreement and any other agreements entered into contemporaneously herewith set forth the entire agreement of the parties and are intended to supersede all prior negotiations, understandings, and agreements and cannot be altered, amended, changed or modified in any respect or particular unless each such alteration, amendment, change or modification shall have been agreed to by each of the parties hereto and reduced to writing in its entirety and signed and delivered by each party. No provision, condition or covenant of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.

20.3 **Binding Effect and Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Buyer may freely assign this Agreement to an entity under common control of Buyer. Should Buyer assign its rights to acquire the Stations it is acquiring hereunder, Buyer's assignee shall be entitled, without limitation, to (i) rely on all of the representations, warranties and covenants of Seller hereunder, and (ii) the benefit of all indemnifications provided by Seller hereunder. Seller will cooperate with Buyer and execute any documents reasonably necessary to effectuate such assignment.

20.4 **Additional Documents.** The parties hereto agree to execute, acknowledge and deliver, at or after the Closing Date, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement, the effective vesting in Buyer of title to the Assets, and/or the successful processing by the Commission of the application to be filed with it, as provided in Section 4.2.

20.5 **Counterparts.** This Agreement may be executed in one or more counterparts, all of which together shall comprise one and the same instrument.

20.6 **Legal Actions.** If, notwithstanding the provisions of Section 19, either Seller or Buyer initiates any legal action or lawsuit against the other involving this Agreement, the prevailing party in such action or suit shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in such proceeding.

20.7 **Governing Law.** The parties agree that this Agreement and the transaction herein contemplated shall be interpreted, construed, and enforced under and according to the laws of the State of California.

20.8 **Counsel.** Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

20.9 **Time is of the Essence.** Time shall be of the essence in this Agreement and the performance of each and every provision hereof.

20.10 **Severability**. If any term or provision of this Agreement or its application shall, to any extent, be declared to be invalid or unenforceable, the remaining terms and provisions shall not be affected and shall remain in full force and effect and to such extent are severable; provided, however, that nothing in this provision shall impair a party's rights pursuant to Sections 12 or 16 hereof.

20.11 **Publicity**. Seller and Buyer agree that, except as may be required by applicable law, all public announcements relating to this agreement or the transactions contemplated hereby, including announcements to Buyer's employees, will be made only as may be agreed upon in writing by the parties, which consent shall not be unreasonably withheld.

20.12 **Confidentiality**. Buyer and Seller, and their respective employees, agents and representatives, shall each keep confidential all information obtained with respect to the other in connection with the negotiation and performance of this Agreement, except where such information is known or available through other lawful sources or where its disclosure is required in accordance with applicable law. If the transactions contemplated hereby are not consummated for any reason. Buyer and Seller, and their respective employees, agents and representatives, shall return to the other, without retaining a copy thereof, any written information, including all financial information, obtained from the other in connection with this Agreement and the transactions contemplated hereby, and shall forever preserve the confidentiality of such information. The parties recognize that a breach of this covenant of confidentiality may cause substantial, irreparable harm to the other's business and therefore agree that injunctive relief would be appropriate to enforce any breach of this covenant.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their proper individuals or officers thereunto duly authorized as of the day and year first above written.

SELLER:

**REDWOOD BROADCASTING COMPANY,
INC.**

By: _____



Pattison Christensen
Chairman

BUYER:

LOST COAST COMMUNICATIONS, INC.

By: _____

Patrick Cleary
President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their proper individuals or officers thereunto duly authorized as of the day and year first above written.

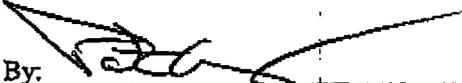
SELLER:

**REDWOOD BROADCASTING COMPANY,
INC.**

By: _____
Pattison Christensen
Chairman

BUYER:

LOST COAST COMMUNICATIONS, INC.

By:  _____
Patrick Cleary
President

LIST OF EXHIBITS AND SCHEDULES

Schedule 1.1	Liens
Schedule 1.1.1	Commission Authorizations
Schedule 1.1.2	List of Tangible Personal Property
Schedule 1.1.3	Contracts, Agreements and Leases (other than leased real property)
Schedule 1.1.4	Intangible Assets
Schedule 1.2.9	Excluded Tangible Personal Property
Schedule 2.2	Allocation of Purchase Price
Schedule 6.4	Real Property Leases
Schedule 6.4.3	Items to be Repaired Prior to Closing
Schedule 6.6	Deficiencies – Authorizations
Schedule 6.7.1	Deficiencies - Operations
Schedule 6.8.1	Litigation

SCHEDULE 1.1

Liens

None

SCHEDULE 1.1.1
Commission Authorizations

FM Broadcast License for Station KXGO, Arcata, CA 71700

Auxiliary Station WPLW506

Auxiliary Station WLF336

FM Translator License for Station K233AW, Facility ID 138001

SCHEDULE 1.1.2
List of Tangible Personal Property

KXGO INVENTORY

Production Rm 1

Sony MDM-X4 Minidisc Recorder
CPC computer
Envision monitor for OMT computer
HP keyboard
Micro Innovations keyboard
RCA audio monitor amplifier
KLH monitor speakers x2
Wheatstone AudioArts A-50 audio board with power supply
Computer mouse x2
Viewsonic computer monitor
HP computer (OMT)
Gentner telephone interface
Eventide H3000B Ultra-Harmonizer effects unit
JVC dual cassette recorder
Sony CDP-XE400 CD player
Belkin UPS
Sony minidisc remote recording system with case
*Marantz professional portable field cassette recorder ¹
Production desk, all sections
Smaller desk
Guest chair
Production room telephone
M-Audio break-out box (OMT)
Epson printer
CD wall shelf
Small equipment rack
Wooden CD rack
Metal CD racks x3
Microphone RODE MT-2
Microphone, unknown brand
Radix distribution amplifier
Power strips x2
CD rack, small desktop
Wall mounted organizer, small

¹ * not in good working order; not covered by equipment warranty

KXGO Inventory
Office, Including Upstairs

HP Pavilion Computer
Printer
Fax machine
Stand for above
Keyboard
Mouse
(All above at Randy's station)
Answering machine x1
Adding machine x1
Executive desk, currently located at front of main office
Computer station furniture, next to above desk
Executive desk, located at rear of main office
Computer station furniture, next to above desk
"Filex" filing cabinets x2
Sales executive pod of 4 desks x1
Chairs x4 for above
Ops desks x2, now located upstairs
Chairs for above x2
Computer desk, located upstairs
Unused computer station, located in corner upstairs
Large conference room table
Small conference room table
Easel
10 chairs for conference table
Traffic computer
Metal cabinet with doors, located upstairs

KXGO Inventory
Kneeland Facility

Back-up transmit Scala yagi antenna
Back-up transmitter, unknown brand
48 volt power supply for above
Continental 802A exciter
Equipment rack
Myat gas barriers x2
Feedline air compressor
SineSystems controller RFC-1/B
Relay Panel RP-8
Home designed and built latching relay box for above
CSI Driver transmitter T-3-F1
CSI Transmitter T-25-F
6-bay antenna system with hardware
UPS Unit, office size
Bird 3170A "Wattcher" wattmeter
Bird "Thruline" line section for above
Electro Impulse Model DPTO-25KFN dummy load
Myat switch panel for dummy load
Mosely PCL-606 STL receiver
Used 3cx3000A7 driver tube
Myat solid 3" feedline from XT to tower, approx 125'
Flexible 3" feedline from tower base to antenna array, approx 280'

KXGO Inventory
Engineering Room

TTC Translator, back-up unit
All CRL Audio Processing gear, out-of-service
All Belar Modulation Monitoring gear, out-of-service
Honda generator, portable
Remote gear case #2, less cell phone, including custom phone interface unit and CellJack
8' KXGO sign (in basement)
3' KXGO signs x2
Tent
Vinyl banners
"Boom Box"
Peavey PA Amp/speaker unit, small
Marti transmitter, in hard case with wireless mic
1 folding chair
KXGO "Fox" suit
Telescoping antenna mast
Extra tent frame (in basement)
Roll of feedline (in basement)
Roll of multi-conductor cable (in basement)
Wiring troughs (in basement)

KXGO Inventory
Bunker Hill Facility

TTC Translator for KXGO
Henry 100D-95 DC RF amplifier
Astron 35M power supply
Scala yagi antenna
Band pass cavity
Scala impedance transformer
Approx 100 ft feedline, RG6

Inventory KXGO
Rack Equipment Room

RDS Phantom automation system drive, out of service
Uniden satellite dish controller x1
12' satellite dish, mounted on RBC building
Starguide satellite RX, out of service
RDS automation switcher, out of service
CRL Audio Signature pre-processor
CRL Modulation Processor SMP-850
CRL Stereo Generator SG-800A
B-Tools SS 8.2 Audio Switcher (OMT)
Jones Satellite RX Ser # 16420, in service
Mosely STL transmitter
Power strip to UPS
STL paraflector antenna on RBC building roof
SOLA UPS (In prod 2) for KXGO rack back-up
Equipment rack
OMT system as used by KXGO

Inventory KXGO

Airbooth

CDs owned by KXGO, approx 1000
Neumark Dual CD player combination
JVC dual tape deck x2
Teac dual tape deck
RDL STD 600 audio splitter x2
Power strip x4
HP keyboard x2
E Machines computer, Model 500 ix
HP computer tower, OMT automation
Yamaha monitor speakers x2
E Machines VDT monitor
Wheatstone AudioArts A-50 audio board with power supply
Computer mouse x2
KDS VDT monitor for OMT computer
Airbooth desk, all sections
Gentner phone interface unit
Sage EAS decoder
Lazy Susan-style CD rack
Portable stereo receiver
Telephone set
Telephone ringer flasher
Patch panel
BGM Systems Model 75 monitor amplifier
Belkin UPS unit
Wall mount CD racks x4
"KXGO" sign on wall
ATI Impedance matchbox
M Audio Delta 1010 A-D converter (OMT)
Announcer's chair
Smaller guest chair
Mic, Electrovoice RE-20
Guest mic, unknown brand

SCHEDULE 1.1.3
Contracts Being Assumed



One Lincoln Plaza
 New York, NY 10023-7097
 Phone: 1-800-99-ASCAP
 Fax: 1-800-FX-ASCAP

ASCAP



00484

Pattison Christensen
 General Manager
 KXGO-FM
 603 F St
 Eureka, CA 95501-1011

Re: KXGO-FM
 Redwood Broadcasting Co., Inc.
 603 F Street
 EUREKA, CA 95501

If You Have Already Made Payment, Please Disregard This Invoice.

ACCOUNT NO.	BILLING DATE	CURRENT	PAST DUE	BALANCE DUE
3000010341001	12/28/2009	\$1,708.50	\$7.21	\$1,715.71

LICENSE FEE
\$823.00

Your ASCAP Account Executive is: *Hugo Delbove at (212)-621-6424*

FPCR

ASCAP REFERENCE NO.	TRANSACTION DATE	CHECK NO.	EXPLANATION OF CHARGES & CREDITS	FOR THE PERIOD	AMOUNT	REMAINING BALANCE
			PREVIOUS BALANCE			\$2,644.96
305000566648	11/19/2009	16297	Cash Payment	11/19/2009	(\$881.75)	\$1,763.21
100000626471	12/28/2009	-	Blanket License Fee	01/01/2010 to 01/31/2010	\$823.00	\$2,586.21
200000244110	12/28/2009	-	Finance Charge, Billed At 1.0%	12/28/2009	\$7.50	\$2,593.71
305000574684	12/28/2009	16369	Cash Payment	12/28/2009	(\$878.00)	\$1,715.71

Your account is seriously delinquent. Payment in full is expected at this time.

TEAR ON THE DOTTED LINE

PLEASE PLACE YOUR CUSTOMER ACCOUNT NO. AND STATION CALL LETTER ON ALL CHECKS AND CORRESPONDENCE. PLEASE MAKE YOUR CHECK PAYABLE TO "ASCAP".

KXGO-FM
 603 F St
 Eureka, CA 95501-1011



ASCAP

ACCOUNT NO.	BALANCE DUE	AMOUNT PAID
3000010341001	\$1,715.71	\$

30000103410012000171571

Name, Address, Telephone Changes

Licensee: _____
 Premise: _____
 Street: _____
 City, State, ZIP: _____
 Contact Name: _____
 Telephone: (_____) _____

ASCAP FPCR
 PO Box 70547
 Chicago, IL 60673-0547



NOTICE

2010 ASCAP Interim Fees

Please note that ASCAP and the Radio Music License Committee ("RMLC") have not yet reached agreement on final license fee terms for the period commencing January 1, 2010. However, ASCAP and the RMLC have agreed that the terms and conditions of the ASCAP 2004 Radio Station License Agreement shall continue in effect for periods commencing January 1, 2010. We have also agreed upon provisional interim license fees for periods beginning January 1, 2010, subject to retroactive adjustment upon the conclusion of negotiations or rate court proceedings with the RMLC, as reflected on the attached monthly statement of account.

If you have any questions concerning this matter, please feel free to contact your ASCAP Account Manager, who is listed on the attached statement of account.

ASCAP



December 3, 2009

Mr. Pattison Christensen
General Manager
Redwood Broadcasting Co., Inc.
KXGO - FM
603 F Street
Eureka, CA 95501

Dear Mr. Christensen:

Thank you for signing and returning the 2010 Radio License Extension agreement for the term commencing January 1, 2010, for your station(s). We appreciate your prompt attention to this matter.

If you have any questions, please contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Hugo Delbove", written over a light gray background.

Hugo Delbove

(212) 621-6424
hdelbove@ascap.com



October 26, 2009

Pattison Christensen
Radio Station KXGO FM
Redwood Broadcasting Co., Inc.
603 F Street
Eureka, CA 95501-1011

Dear Licensee:

ASCAP's license agreements with most radio stations will expire on December 31, 2009. We have begun negotiations for the next term with the Radio Music License Committee ("the Committee"). The Committee members are broadcasters and represent a broad spectrum of the radio industry.

As in the past when agreements were coming to an end, we are offering a license extension agreement to put stations who have chosen not to be represented by the Committee in the same position as stations who have authorized the Committee to represent them. This agreement will commit you and ASCAP to the outcome of the Committee negotiations (or Court proceedings) and will continue your existing license after the present term expires if ASCAP and the Committee do not reach agreement before the end of the year.

We are enclosing an extension agreement with some Questions and Answers.

Once you have read the agreement and the Questions and Answers, if you have any questions please let us know. Otherwise, if you decide to be in the same position as stations represented by the Committee, you should now sign and return to us the enclosed agreement. You may use the enclosed envelope or email a scanned copy of the signed agreement to RadioLicensing2010@ascap.com.

Sincerely,

Ray Schwind
VP - Director of Broadcast Licensing

Enclosures: Extension, Questions and Answers, Return Envelope

Acct: 3000010341001

AMERICAN SOCIETY OF COMPOSERS,
AUTHORS AND PUBLISHERS
One Lincoln Plaza
New York, N.Y. 10023

Radio Station KXGO FM
Redwood Broadcasting Co., Inc.
603 F Street
Eureka, CA 95501-1011

Gentlemen:

The radio license agreement in effect between us will expire December 31, 2009. We understand that you and the Radio Music License Committee ("the Committee") have commenced negotiations on license terms and conditions for the period commencing January 1, 2010.

Although we choose neither to be represented by the Committee nor to negotiate separately with you for this period, we wish to have the benefit of the new licenses on the same basis as stations represented by the Committee, and also to be licensed by you after December 31, 2009 if agreement on new terms has not been reached by that date. Accordingly, you and we hereby agree that:

1. You and we shall be bound for the next license term commencing January 1, 2010, by the license terms and conditions which you and the Committee agree on or which are determined by the Court for such term in any proceeding brought by, or under the auspices of, the Committee under the Amended Final Judgment in *United States v. ASCAP*. (i.e., a "rate proceeding" under the ASCAP Consent Decree).

2. (a) If you and the Committee have not agreed on new license terms and conditions by December 31, 2009, or if you and we have not entered into a new license agreement by that date, you and we further agree to extend the agreement between us which will expire December 31, 2009, and all of the terms, conditions and provisions thereof (except the provision that the term of the license shall end on December 31, 2009), for the interim license term commencing January 1, 2010.

(b) For the period after December 31, 2009, this license extension is subject to retroactive adjustment to January 1, 2010, on the basis of the terms and conditions arrived at for the term beginning January 1, 2010 (i) by negotiation between you and the Committee or (ii) by Court determination of reasonable fees in any proceeding brought by, or under the auspices of, the Committee under the ASCAP Consent Decree.

(c) This proposed extension is for the interim license term beginning January 1, 2010 and may only be terminated by substitution of agreements for the period commencing January 1, 2010, that are either negotiated by ASCAP and the Committee or that embody fees determined by the Court to be reasonable for similarly situated stations. In addition, you and we shall have the rights to terminate the license in the extended term in accordance with the provisions of the agreement between us which will expire December 31, 2009.

3. At the conclusion of the negotiations or Court proceedings described above, you will offer and we shall accept the same license agreements on the same terms and conditions as are made available to stations represented by the Committee.

4. We have voluntarily chosen not to be formally represented by the Committee in negotiations or in any proceeding the Committee may bring, or to make our own application under the ASCAP Consent Decree. We hereby waive our right to make an application to you or to the Court under the ASCAP Consent Decree for the license period commencing January 1, 2010 and ending as agreed upon by you and the Committee or determined by the Court, for terms and conditions other than those arrived at by your negotiations with the Committee or determined by the Court.

Your signature underneath the word "ACCEPTED", together with our signature below, will make this a valid, binding and enforceable extension agreement between us.

ACCEPTED:
AMERICAN SOCIETY OF COMPOSERS,
AUTHORS AND PUBLISHERS

By: Ray Schull

Dated: October 26, 2009

LICENSEE
<u>Redwood Broadcasting Co., Inc.</u> (Full corporate or other name of station owner)
Date <u>11/05/09</u>
By <u>Robert J. Christensen</u> <u>Robert Christensen</u>

(Fill in capacity in which signed)

Chairman

- (a) If corporation, state corporate office held;
- (b) If partnership, write word "partner" under signature of signing partner
- (c) If Individual owner, write "individual owner" under signature



QUESTIONS AND ANSWERS

When does our radio license with ASCAP expire?

Your ASCAP radio license agreement expires December 31, 2009.

Will there be new agreements?

ASCAP and the Radio Music License Committee (RMLC) are meeting to workout new agreements.

Does the RMLC represent us?

Only if you have specifically authorized them to represent you.

If we choose not to be represented by the RMLC do we get the same terms as stations represented by them?

Yes. If you sign the enclosed 2010 ASCAP Radio Station License Extension Agreement, your station will be in the same position as stations represented by the RMLC. You will be bound by the outcome of the RMLC negotiations (or court proceedings); you will get the benefits of the same license terms ultimately arrived at either by negotiations or court proceedings; and like stations represented by the RMLC, you will give up the right to come to ASCAP or the court for different license terms for the period beginning January 1, 2010.

What will happen if agreement is not reached by the end of the year?

As in the past, we expect the RMLC to apply to the Court under the ASCAP Consent Decree for a determination of reasonable fees. In that event, we will ask the Court to set interim fees at the existing rates subject to retroactive adjustment to January 1, 2010. The license extension agreement being offered to you is on the same basis -- continuation of existing license terms and conditions subject to retroactive adjustment to January 1, 2010 based on the outcome of negotiation or an RMLC-initiated court proceeding.

What are other options if we do not wish to be represented by the RMLC or sign this agreement?

You can make your own application to ASCAP, and later, to the Court. You can do this alone or jointly with other stations.

When must we decide?

As quickly as possible but in any event, before December 31, 2009. In conducting the current negotiations, it is important that ASCAP and the RMLC know that, as in the past, the industry generally will go along with the results of the ASCAP/RMLC negotiations or court proceedings.

What will happen if we do not make a decision before December 31, 2009?

Your station would not be licensed after your current agreement expires and, therefore, any performances of copyrighted musical compositions in the ASCAP repertory without permission obtained directly from ASCAP's members would constitute copyright infringement. To ensure your station will continue to have the right to perform works in the ASCAP repertory after December 31, 2009, you have three (3) options:

1. Join the other stations represented by the RMLC;
2. Sign the 2010 ASCAP Radio Station License Extension Agreement;
3. Make your own application alone with others.



Invoice & Remittance Advice	
Account Number:	5016312
Billing Number:	19252174
Billing Date:	02-DEC-2009
Total Amount Due:	USD 3,556.88
Amount Enclosed:	897.50

Remember - do not send correspondence with this payment.
Mail correspondence to 10 Music Square East, Nashville, TN 37203

To change your address, check here,
and note new address on reverse side.

Teresa Wold
KXGO-FM
603 F Street
Eureka CA 95501-1011

BMI Radio
P.O. Box 406833
Atlanta, GA 30384-6833

Please return the above portion with your payment.

Billing Number	Beginning Balance	Billed and Adjusted	Payments	Ending Balance
19252174	3,548.44	897.50	889.06	3,556.88

Date	Type	Transaction Number	Description	Amount Due (in USD)
Account # 5016312 KXGO-FM 603 F Street Eureka CA 95501-1011				
01-DEC-09	INV	6580493	Music License Fee 12/01/2009 - 12/31/2009 Blanket License Fee	880.26
01-DEC-09	DM	89594835	Late Payment Charge 11/01/2009 - 11/30/2009	17.24
18-NOV-09	PMT	16251	BOA Check	(889.06)

Happy Holidays!

Your BMI radio license agreement expires on 12/31/09. To perform BMI music beyond that date you must either sign a 2010 BMI License Extension Agreement or an RMLC Authorization Form. Stations also have the option of applying to BMI for a license pursuant to the BMI Consent Decree.

If you have any questions or concerns regarding your BMI license, contact: licensing@bmi.com.

If you have questions, please:

call (615) 401-2950 or email mediaaccounting@bmi.com for Billing Customer Service, or

call (615) 401-2951 for Collection Customer Service.



Glenn Brannen
Account Representative
Media Licensing

November 17, 2009

Pattison J. Christensen
KXGO-FM
603 F Street
Eureka CA 95501-1011

Dear Mr. Christensen:

Thank you for returning your agreement. Enclosed is an executed copy of your License Agreement signed by Michael O'Neill, Senior Vice President, Licensing.

If we can be of any assistance to you in the future, please contact me via e-mail at gbrannen@bmi.com or by phone at (615) 401-2914 .

On behalf of the entire family of BMI songwriters, composers, and music publishers, thank you for playing BMI music.

Sincerely,

Encl: Executed BMI License Agreement



10 Music Square East, Nashville, TN 37203
BMI® and Broadcast Music, Inc.® are registered trademarks of Broadcast Music, Inc.

5016312
EXEC_AGREEMENT-3.doc

5016312 11162009

ML MPA



LI-10/09-RMLC07-Ext

BMI Radio License Extension Agreement

WHEREAS, BMI® and the Radio Music License Committee (the "RMLC") have been negotiating the terms and conditions of a license agreement for the period commencing January 1, 2010 (the "2010 Agreement").

NOW THEREFORE, by signing below you agree as follows:

1. Station agrees to be bound by all of the license terms and conditions negotiated between BMI and the RMLC, or adjudicated by the BMI Rate Court, which shall be memorialized in the 2010 Agreement.
2. In the event that BMI and the RMLC are unable to finalize the terms of the 2010 Agreement by December 31, 2009, Station agrees to be bound by an interim license which shall commence on January 1, 2010 and embody each and every term and condition set forth in Station's 2007 Agreement except for the Term and license fees ("Interim License Agreement"). Station's interim monthly license fee shall be the sum equal to 4% less than Station's December 2009 license fee, and may be adjusted based upon agreement on a different interim fee by BMI and the RMLC, or as determined by the BMI Rate Court in a proceeding between BMI and the RMLC. The interim and/or final license fees agreed to by BMI and the RMLC, or as determined by the BMI Rate Court, shall be applied retroactively to January 1, 2010, and Station shall be obligated to pay BMI any monies owed BMI as a result of such retroactive adjustment of fees, and BMI shall be obligated to credit to Station's account any monies owed Station as a result of such retroactive adjustment of fees. The Interim License Agreement shall continue until a final 2010 Agreement is reached as a result of the ongoing negotiations between BMI and the RMLC or a decision is rendered by the BMI Rate Court in a proceeding between BMI and the RMLC.
3. Station hereby waives its rights to make an Application for reasonable fees to BMI, or to make an Application to the BMI Rate Court for the period commencing January 1, 2010.

Station's agreement to the above terms and conditions shall be evidenced by the signature below of an individual duly authorized to bind Station to this Agreement.

This agreement may be executed in counterparts.

Call Letters: KXGO-FM

Frequency: 93.1

City: Arcata

State: CA

Redwood Broadcasting Co., Inc
 Legal Name

Pattison J. Christensen
 Authorized Signature

Pattison J. Christensen
 Print Name of Signatory

Chairman
 Print Title of Signatory

Accepted:
BROADCAST MUSIC, INC.

By: *Michael O'Neill*
 MICHAEL O'NEILL
 SENIOR VICE PRESIDENT
 LICENSING

Title: _____

Date: NOV 18 '09

- (a) If corporation, signatory must be an officer. Print corporate office held under signature.
- (b) If partnership, print the word "partner" under signature of signing partner.
- (c) If individual owner, print "individual owner" under signature.

October 30, 2009

5016312

Local Manager, if applicable



Local Manager Authorized Signature, if applicable





Michael O'Neill
Senior Vice President
Licensing

October 30, 2009

General Manager
KXGO-FM
603 F St
Eureka CA 95501-1011

BMI Representative: Glenn Brannen
Telephone: (615) 401-2914 E-mail: gbrannen@bmi.com

Re: **BMI 2010 Radio License Extension**

Dear General Manager:

As you may know, your current BMI Radio Station Blanket/Per Program License Extension Agreement (the "2007 Agreement") expires on December 31, 2009.

BMI and the Radio Music License Committee ("RMLC") have been meeting to discuss the terms of a new license agreement for the radio industry which will commence as of January 1, 2010. In the event that BMI has not finalized the terms of a new license prior to the expiration of your 2007 Agreement, in order to remain licensed for the period commencing January 1, 2010, you have three (3) options as follows:

- (1) Sign the attached BMI 2010 Radio License Extension Agreement which extends the terms of your 2007 Agreement at a reduced monthly license fee (the interim monthly fee is calculated to be 4% less than your December 2009 fee) (the "Interim License Fee"). The Interim License Fee is subject to adjustment based upon a different interim rate being negotiated between BMI and the RMLC, or adjudicated by the BMI Rate Court. In the event that an interim rate is established that is different from the Interim License Fee, the new rate shall be effective retroactively for the period commencing January 1, 2010. As such, any difference between the Interim License Fees already paid to BMI by your station and the new interim rate will be either due BMI if the new interim rate is higher, or credited to your account if the new interim rate is lower. If you select this option, please sign and return the BMI 2010 Radio License Extension Agreement in the enclosed postage-paid envelope; or
- (2) Sign the RMLC Authorization for Music License Negotiations/Proceedings form ("RMLC Authorization"), which has been mailed to your station by the RMLC, which will bind your station to the license terms ultimately agreed upon by BMI and the RMLC. If you select this option, please return executed copies of the RMLC Authorization to both the RMLC and BMI; or
- (3) Make your own application to BMI for a license pursuant to the BMI Consent Decree (an "Application"). If you choose to make an Application on your own, you may be required to appear before the BMI Rate Court, located in New York City, to prove that your station is not similarly situated to the universe of radio stations which has elected to be bound by a new BMI/RMLC agreement and to give evidence as to the appropriate license fee for your station.

Please make your selection and return any appropriate documentation to BMI **no later than December 1, 2009**. Should you have any questions regarding your options, please contact your BMI representative as noted above.

Sincerely,

Encl: BMI 2010 Radio License Extension





BMI Radio License Extension Agreement

WHEREAS, BMI® and the Radio Music License Committee (the "RMLC") have been negotiating the terms and conditions of a license agreement for the period commencing January 1, 2010 (the "2010 Agreement").

NOW THEREFORE, by signing below you agree as follows:

1. Station agrees to be bound by all of the license terms and conditions negotiated between BMI and the RMLC, or adjudicated by the BMI Rate Court, which shall be memorialized in the 2010 Agreement.
2. In the event that BMI and the RMLC are unable to finalize the terms of the 2010 Agreement by December 31, 2009, Station agrees to be bound by an interim license which shall commence on January 1, 2010 and embody each and every term and condition set forth in Station's 2007 Agreement except for the Term and license fees ("Interim License Agreement"). Station's interim monthly license fee shall be the sum equal to 4% less than Station's December 2009 license fee, and may be adjusted based upon agreement on a different interim fee by BMI and the RMLC, or as determined by the BMI Rate Court in a proceeding between BMI and the RMLC. The interim and/or final license fees agreed to by BMI and the RMLC, or as determined by the BMI Rate Court, shall be applied retroactively to January 1, 2010, and Station shall be obligated to pay BMI any monies owed BMI as a result of such retroactive adjustment of fees, and BMI shall be obligated to credit to Station's account any monies owed Station as a result of such retroactive adjustment of fees. The Interim License Agreement shall continue until a final 2010 Agreement is reached as a result of the ongoing negotiations between BMI and the RMLC or a decision is rendered by the BMI Rate Court in a proceeding between BMI and the RMLC.
3. Station hereby waives its rights to make an Application for reasonable fees to BMI, or to make an Application to the BMI Rate Court for the period commencing January 1, 2010.

Station's agreement to the above terms and conditions shall be evidenced by the signature below of an individual duly authorized to bind Station to this Agreement.

This agreement may be executed in counterparts.

Call Letters: KXGO-FM

Frequency: 93.1

City: Arcata

State: CA

Redwood Broadcasting Co., Inc
 Legal Name

Pattman J. Christensen
 Authorized Signature

Pattman J. Christensen
 Print Name of Signatory

Chairman
 Print Title of Signatory

Accepted:
BROADCAST MUSIC, INC.

(a) If corporation, signatory must be an officer.
Print corporate office held under signature.

By: _____

(b) If partnership, print the word "partner" under signature of signing partner.

Title: _____

(c) If individual owner, print "individual owner" under signature.

Date: _____

Local Manager, if applicable

Local Manager Authorized Signature, if applicable

October 30, 2009

5016312





Account #	Billing #
68040	6804009
Billing Date	Due Date
6/9/2009	7/9/2009
2009 BILLING AMOUNT	
\$480.00	
TOTAL ACCOUNT BALANCE	
\$480.00	

BILL TO:

Redwood Broadcasting Company Inc
 603 F Street
 Eureka, CA 95501-1011



2009 RMLC Annual Assessment

Invoice #	Station	FCC ID	ASCAP Assessment	BMI Assessment	Amount
09152764	KXGO-FM	71700	120.00	120.00	240.00
09152765	KJNY-FM	39505	120.00	120.00	240.00
2009 BILLING AMOUNT					\$480.00

ASCAP / BMI ANNUAL FEE PER STATION

\$0 - \$6,500	\$6,501-\$20,000	over \$20,000
\$12.00	\$120.00	\$510.00
\$12.00	\$120.00	\$510.00

Please pay

Pursuant to an order of the United States District Court for the Southern District of New York in connection with the settlement of the ASCAP and BMI rate proceedings in U.S. v. ASCAP and U.S. v. Broadcast Music, Inc. (Application of Hicks Broadcasting, et al), all radio stations are required to make certain payments to the Radio Music License Committee. The required amounts for your station are reflected in this invoice. For further information, please see the RMLC's website www.radiomlc.org. For billing inquiries, contact Rebekah Smith, Accountant or Bill Velez, Executive Director.



William Velez
Executive Director

June 3, 2009

EXECUTIVE COMMITTEE

Ed Christian, Chairman, RMLC
Saga Communications, Inc.
John Barger, Vice-Chairman, RMLC
Barger Broadcast Investments
Gene Levin, Treasurer, RMLC
Entercom
Bud Walters, Secretary, RMLC
The Cromwell Group

COMMITTEE

Bob Allen
Regent Communications, Inc.
Caroline Beasley
Beasley Broadcasting Group
Tony Brandon
WYPR-FM
Deborah Cowan
Radio One
Ron Davenport, Jr.
Sheridan Broadcasting Corp.
Scott Herman
CBS Radio
Stephen Hildebrandt
CBS Radio
Katie Holloway
Clear Channel Communications, Inc.
George Laughlin
Gap Broadcasting
Patricia MacDonald-Garber
MacDonald Garber Broadcasting
Pat Walsh
Emmis Communications
Edward R. Nolan, Jr.
Greater Media, Inc.
Charles Odom
Cox Radio
Tom Owens
Clear Channel Communications, Inc.
Joe Schwartz
Cherry Creek Radio
Randy Taylor
Citadel Broadcasting Corp.
W. Russell Withers
Withers Broadcasting Companies
Rick Wolf
Clear Channel Communications, Inc.
Paul Yates
Bonneville International, Inc.

To: RMLC Member Stations

It's RMLC assessment time and I wanted to take this opportunity to update you on the RMLC's activities.

RMLC 2009 Invoice

Effective with last year's assessment, the RMLC no longer invoices your stations twice annually. The ASCAP- and BMI-related fee assessments have now been combined into one invoice for your convenience. Keep in mind that the assessment is based upon a station's actual ASCAP and BMI license fee (refer to the grid on the accompanying invoice) and accordingly, the respective ASCAP and BMI assessment due to the RMLC may be different for a particular station. **The required amounts due for your station(s) are pursuant to the respective Orders of the U.S. District Court for the Southern District of New York in connection with the settlement of the rate proceedings in U.S. v. ASCAP and U.S. v. Broadcast Music, Inc. (Application of Hicks Broadcasting, et al).**

ASCAP/BMI Negotiations

The RMLC has commenced fee negotiations with both ASCAP and BMI for the license term commencing January 1, 2010. As you know, some years ago the RMLC listened to what the industry wanted and responded by negotiating licenses that divorced ASCAP and BMI as percentage partners in our businesses. Regrettably, the industry has experienced unforeseen economic hardship which has resulted in music fee levels set some years ago no longer being reasonable. Thus, we are seeking a significant decrease in fee levels from ASCAP and BMI and a likely return to a revenue-based license fee. This will be a challenging negotiation and, to the degree that we cannot reach an acceptable result, the RMLC is prepared to exercise our rights under the applicable Consent Decrees.

Under the existing licenses, the RMLC was able to expand the scope of license coverage to include HD multicasting and streaming of the attendant digital signal. Additional rights (e.g., podcasting and other mobile applications) are being considered for inclusion in this next round of license negotiations.

SESAC

We remain mindful of the fact that fees imposed by SESAC have become increasingly burdensome as well. We are constantly trying to contain this organization, with whom there is no industry-wide agreement and no Consent Decree that offers a mechanism for seeking recourse if reasonable rates cannot be reached. Thus far, overtures to both the Department of Justice and the Federal Trade Commission have not yielded any relief. Nonetheless, we will continue to aggressively pursue strategies aimed at rectifying this untenable situation.

RMLC Operations

The RMLC is comprised of representatives from a broad spectrum of stations. All RMLC station representatives serve without compensation in this important task. We have a small staff and we arrange for the services of our attorneys, economic experts and other consultants in order to mount the strongest front against the performing right organizations that are well financed (by our license fees) and who tenaciously represent their composers and publishers in an effort to increase license fees. We believe that the current RMLC fee assessment represents the fairest way to spread the cost of the Committee's work among all licensees.

Finally, one bit of housekeeping. **We need your help in terms of advising us of any pertinent address or billing changes for your station(s) as well as the best e-mail address for RMLC communications. You may e-mail this information to us at info@radiomlc.org.**

* * *

The current negotiations present a steep challenge to our industry. You can be assured that the RMLC remains committed to achieving fee relief as quickly as possible. In the interim, the RMLC's Rebekah Smith and I thank you for your continued support.

Best regards,



William Velez
Executive Director

REDWOOD COAST MUSIC FESTIVALS

MAKING MUSIC AND A BETTER COMMUNITY

Randy Flevaras
Redwood Broadcasting
603 F Street
Eureka, CA 95501

November 9, 2009

Re: 20th Anniversary Redwood Coast Jazz Festival
March 25, 26, 27 & 28, 2010

Dear Randy:

On behalf of the Redwood Coast Music Festivals, thank you for your continuing support of the Redwood Coast Jazz Festival. As a Media Sponsor, you have committed in-kind financial support in the form of radio advertising services valued at approximately \$5,000. These ads will run on KXGO and KJNY. Your stations will be listed on all signs and ads as KXGO FM 93.1 – 94.5 and KJNY FM 99.1 – 106.7.

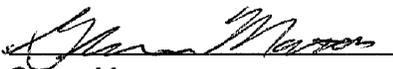
As a Media Sponsor your benefits will include:

1. \$400.00 Cash Buy
2. One-half page ad in festival Program.
3. Listing on the RCJF Website as a Promotional Sponsor
4. Inclusion on a sign in every venue listing all promotional sponsors
5. 2'x6' Banner "We're A Proud Sponsor of the RCJF" to hang at Business [optional]
6. Five All-Event Badges
7. Three Friday Badges
8. Three Sunday Badges
9. Framed copy of Official Poster
10. Invitation to Festival Sponsor Event
11. Use rights to Festival Information in Advertising
12. Thank-you ad in *The Times-Standard* at Festival completion encouraging community to frequent businesses that participate as sponsors

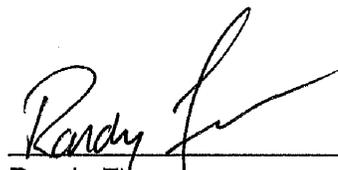
I am enclosing two copies of this letter confirming our agreement. Please sign both copies, retaining one for your records and returning one to me in the enclosed envelope.

If you have any questions, please do not hesitate to call me at 445-3378.

Sincerely,


Glenn Maxon
Redwood Coast Music Festival

11/9/09
Date


Randy Flevaras
Redwood Broadcasting

11-11-09
Date

MEMORANDUM OF UNDERSTANDING

Corporate Partnership for

Redwood Broadcasting

and

Humboldt State University Intercollegiate Athletics

(One Harpst St., Arcata CA 95521)

TRADE entered for 108

This document is the complete and final agreement between Redwood Broadcasting and Humboldt State University Intercollegiate Athletics. This agreement may be modified or amended as mutually agreed by both parties hereto in writing. No agreement or other understanding in any way purporting to modify, add to, or supersede this agreement, shall be binding upon either party unless made in writing and duly executed by authorized representatives. The foregoing is agreed upon by the following designated representatives of the parties.

Corporate Partner: Redwood Broadcasting

Contact Person: Pat Christensen

Title/Position: President

Billing Address: 603 F. Street

City/State/Zip: Eureka, CA 95501

Phone: 707-445-3699

Fax: 707-445-3906

TRADE

Partnership effective July, 2007, through June, 2010.

Humboldt State University Intercollegiate Athletics agrees to provide:

- Redwood Bowl Signage (4'x8')
- East Gym Signage (4'x4')
- Logo recognition throughout the Jacks' website
- Half-page Football Program Ad
- Half-page Basketball Media Guide Ad
- Promotional Tickets for Football (20 tickets for each contest)
- Promotional Tickets for Men's Basketball (6 tickets for each contest)
- Four (4) Basketball Season Tickets (does not include Season Ticket Scholarship Donation)
- Four (4) Football Season Tickets with VIP Parking

*REC
*PBC

Miller Broadcasting agrees to provide:

\$5,000 trade for advertising on KXGO and KJNY

The undersigned agrees to the terms stated above.

6/1/07
Date

(HSU Contact: Tom Trepiak - 826-5959)

Tom Trepiak
HSU Athletics Representative

6/1/07
Date

Pat Christensen
Corporate Partner Representative

Date

HSU Representative

HSU - 2009/2010

TRADE SCHEDULE +

VALUE

MARKETING PLAN

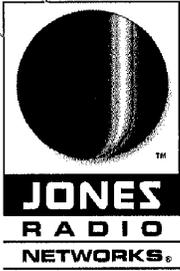
	KXGO	KJNY	
Football Season Tickets	200	200	Week of Aug. 24
FB - Sept. 12 game	200	200	Week of Sept. 7
FB - Oct. 10 game	200	200	Week of Oct. 5
FB - Oct. 17 game	200	200	Week of Oct. 12
FB - Nov. 7 game	200	200	Week of Nov. 2
WBK - Nov. 14 game	100	100	Week of Nov. 9
MBK - Dec. 18 & 19 games	200	200	Week of Dec. 14
W-MBK - Feb. 6 game	200	200	Week of Feb. 1
SB - Feb. 26 home opener	150	150	Week of Feb. 22
CCAA BK - Mar. 2 / 5-6	200	200	Week of Mar. 1
Auction March 27	250	250	Week of Mar. 15
SB - April 9 -10	200	200	Week of Apr. 5
June Camps	200	200	Week of June 7
	2500	2500	

each Station

✓ Aug. '09 200
 ✓ Sep " 200
 ✓ Oct " 400
 ✓ Nov " 300
 ✓ Dec " 200

Feb '10 350
 Mar '10 450
 Apr. '10 200
 Jun '10 200

2500 total



January 16, 2008

KXGO-FM
Pattison Christensen
General Manager
603 F Street
Eureka, CA 95501

Dear General Manager,

Thank you for your continuing business. This letter is to confirm for your records that your affiliation agreement for Jones Radio Networks satellite-delivered Rock Classics format, originally dated 08/01/2007, has automatically renewed as outlined in the agreement for an additional term under the same terms and conditions. The most recent renewal date was 02/01/2008. The next anniversary date will be 01/31/2011.

There will be no changes to implement locally in your commercial clearances, or the manner in which you continue to provide JRN with commercial affidavits. KXGO-FM will continue to air 0-minutes per hour of network commercial inventory from Jones Radio Networks every hour that KXGO-FM is operational. You will also continue to have reporting status, which calls for you to deliver commercial affidavits to JRN on a timely manner.

We value your business and look forward to continuing with our programming relationship. In case you are reviewing programming tools and services for additional properties, please be aware that JRN currently offers 11 different fully-announced satellite-delivered formats, as well as more than 30 music formats that can be delivered directly to your hard-drive automation for live, live-assist, or voice-tracked stations. In addition, JRN offers format specific show prep services, full service Programming Consultation, music libraries, new music updates and a variety of programming services that you can review at our marketing website www.jonesradio.com.

Thank you for your confidence in us. We appreciate your business and look forward to working with you to achieve your goals!

Sincerely,

Phil Barry
Vice President/General Manager
Jones Radio Networks, Inc. Denver



COPY

JONES RADIO NETWORKS AFFILIATION AGREEMENT
(24 Hour Format)

This AGREEMENT dated May 23, 2007 is between JONES RADIO NETWORKS, INC. (hereinafter called "Corporation"), whose address is 8200 South Akron Street, Suite 103, Centennial, Colorado 80112, and Redwood Broadcasting Company Inc (hereinafter called "Broadcaster"), whose address is 603 F Street, Eureka, CA 95501 and telephone number is 707-445-8104.

WHEREAS, Broadcaster is the legal operator of radio station **KXGO-FM**, whose city and county of license are **Arcata, CA and Humboldt**, respectively (the "Station");

WHEREAS, Broadcaster desires to obtain the services of Corporation to provide the Station with the radio programming service set forth below.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Broadcaster hereby engages Corporation to provide Broadcaster with the radio programming service set forth below. Corporation hereby accepts such engagement and hereby licenses to Broadcaster the radio programming service set forth below.

Programming Service: "**Rock Classics New**" (hereinafter called the "Service")¹.

Term: The term hereof shall be for **36** months from the effective date of **August 01, 2007**, or as adjusted for the actual on air date as may be agreed to by both parties in writing. Unless sooner terminated as provided herein, this Agreement shall automatically renew, upon the same terms and conditions, for successive 36 months term, unless either party gives the other written notice not less than ninety (90) days prior to the expiration of the then current term that it elects not to renew this Agreement. Notwithstanding the foregoing, this Agreement is subject to acceptance by Broadcaster within sixty (60) days of the date set forth in the first paragraph hereof and is voidable thereafter, at the option of Corporation.

License Fee: As a license fee for the Service, Broadcaster shall pay monthly installments of **\$0.00**, with such payments due and payable on the first day of each month. Whenever any payment is not made when due hereunder, such amount shall bear interest at the rate of eighteen percent (18%) per annum or the maximum allowed by law, from its due date. Upon execution of this Agreement, Broadcaster also agrees to pay a non-refundable start up fee of **\$0.00** which includes the first month's installment.

During the term of this Agreement, Broadcaster shall furnish to Corporation, free of any cost or expense, 2 minute(s) of commercial time per hour on the Station in and for every hour in which Broadcaster is operational (the 'Commercial Inventory'). Commercials to be cleared during such time will be supplied to Broadcaster through on-air network programming or closed circuit feeds. Broadcaster shall only broadcast the commercials in accordance with a log or schedule for the broadcast of the commercials, which will be supplied to the Broadcaster by Corporation.

¹ This sets forth the general type of programming services to be provided. The name or names which are used to describe such service may be changed from time-to-time.



JONES RADIO NETWORKS AFFILIATION AGREEMENT (24 Hour Format)

Within seven (7) days after each standard broadcast week, Broadcaster shall deliver to Corporation, on forms provided by Corporation, complete and duly executed reports and certificates of performance with respect to Broadcaster's broadcasting of commercial announcements during each broadcast week or month.

This Agreement, including the Additional Provisions contained herein and all attachments hereto (if any), contains all of the agreements, understandings, representations, conditions, warranties and covenants between the parties hereto. This Agreement may not be modified except by an instrument in writing signed by the parties. The parties acknowledge that they have not been induced to enter into the Agreement by any representation not set forth in writing herein and neither party shall be liable for any representation not set forth in writing herein. Broadcaster acknowledges that no employee or sales representative of Corporation is authorized to make any representation or warranty which is not set forth in writing in this Agreement and that Corporation makes no representations whatsoever that the Service will increase Broadcaster's ratings or sales. If Broadcaster believes it has any oral understanding different from the terms set forth herein, such oral understanding must be reduced to writing and signed by both parties hereto. In the absence of such writing, Broadcaster acknowledges that no oral warranties, representations or agreements of any kind whatsoever have been made. Broadcaster also acknowledges that Broadcaster is and shall remain in complete control of the Station.

ADDITIONAL PROVISIONS

1. Broadcaster agrees that it will be solely responsible for the construction, operation, provision and maintenance of all facilities and equipment necessary to receive the Service via satellite and to broadcast the Service in accordance with this Agreement.
2. (a) Broadcaster specifically agrees that the material broadcast on satellite will be used for broadcast on the Station only, and will not be used on any other station at any time, nor shall Broadcaster use the Service after the termination of this Agreement. Broadcaster shall not use the Service for broadcasting or distribution by any other means or media, including Digital Audio Radio Service or the Internet, without the prior written consent of Corporation. Broadcaster acknowledges that all material furnished by Corporation, including, but not limited to, the phrases, marks and titles of the Service are Corporation's sole and exclusive property and are licensed to Broadcaster for use in connection with the Service in Station's city of license and only for the term hereof. Corporation retains all other rights in and to said material. After the termination of this Agreement for any reason, Broadcaster shall not make any use whatsoever of any material furnished by Corporation and shall return all material to Corporation, prepaid, within ten (10) days after such termination.
- (b) Corporation agrees that Broadcaster shall be the sole and exclusive broadcaster granted the right to broadcast the Service (according to the terms of this Agreement) from an antenna site located within the "Exclusivity Area". The Exclusivity Area shall be the geographic area of the Station's city of license (as existing and as authorized by the FCC as of the date hereof). Broadcaster acknowledges that the Service is non-exclusive as to broadcast from the areas outside of Station's Exclusivity Area and that



JONES RADIO NETWORKS AFFILIATION AGREEMENT
(24 Hour Format)

Corporation reserves the exclusive right to provide, and to authorize others to provide, the same or similar programming services not broadcast from an antenna site located within the Exclusivity Area. Notwithstanding the foregoing, Corporation reserves the right in the Exclusivity Area to provide the Service via the Internet or any means other than broadcast radio.

(c) Broadcaster agrees that it will not utilize a translator or booster or increase its power or antenna height hereof without the prior written consent of Corporation.

(d) Corporation shall have the right to contract with and supply other programming formats than the Service to any other radio station, including any radio station in Broadcaster's broadcast area.

3. Broadcaster agrees that it will broadcast the Service in accordance with the instructions it receives from Corporation.

4. Broadcaster will pay all taxes levied on its possessions, use or right to use the Service and the material to be supplied hereunder and all sales or similar taxes, and that Broadcaster will pay all performance license fees, such as ASCAP, BMI, SESAC, etc.

5. Broadcaster warrants and represents that it has the right and power to enter into this Agreement and that it holds or has the legal right to broadcast and operate on a valid broadcast license from the Federal Communications Commission ("FCC") for the Station.

6. Broadcaster agrees to notify Corporation of the name of the assignee or transferee on the date Broadcaster enters into any agreement to assign the FCC license or there is an agreement to transfer a controlling interest in the Station (including a transfer of stock or other equity interest). No such transfer shall be effective unless this Agreement is assumed by the transferee and Broadcaster shall obtain an assumption of this Agreement by the new owner in the event of a transfer or assignment; provided the Corporation has the right not to consent to any such assumption. No consent by Corporation to any such transfer or assignment shall in any way relieve Broadcaster of any liability hereunder. Corporation may assign this Agreement or any part thereof.

7. Subject to Paragraph 8 below, this Agreement shall be governed by the internal laws of the State of Colorado. Broadcaster agrees that all actions or proceedings arising directly or indirectly from this Agreement shall, at the sole option of Corporation, be litigated only in the courts having situs within the State of Colorado. Broadcaster hereby consents to the venue and jurisdiction of any local, state or federal court located within the State of Colorado.

8. This Agreement is subject to all applicable rules, regulations and orders of the FCC now or hereafter in force; and neither party hereto shall be required to furnish any performance hereunder which would be a violation of any such rule, regulation or order.



**JONES RADIO NETWORKS AFFILIATION AGREEMENT
(24 Hour Format)**

9. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or by receipted overnight courier providing for next business day delivery, transmitted by telephonic facsimile, or mailed, postage prepaid, by registered or certified mail, return receipt requested, to the addresses set forth herein or to such other address as either party shall designate to the other in writing. Notices delivered personally shall be effective upon delivery. Notices sent by courier shall be effective on the next business day after delivery to the courier service. Notices transmitted by facsimile shall be effective when received. Notices delivered by registered or certified mail shall be effective on the date set forth on the receipt of registered or certified mail, or three days after mailing, whichever is earlier.

10. If Broadcaster shall be prevented from broadcasting the Service or if Corporation shall be prevented from delivering the Service due to an act of God, force majeure, labor dispute, governmental or court order, or any other similar cause beyond their respective control, then the term of this Agreement shall be extended for the length of time of such nonperformance. Broadcaster must notify Corporation of any omitted broadcast in writing within ten (10) days of said event.

11. If any clause, sentence, paragraph or part of this Agreement or the application thereof shall, for any reason, be adjudged by a court or other tribunal of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this Agreement or the application thereof, but shall be confined in its operation to the clause, sentence or paragraph, or part thereof, directly involved in the controversy in which such judgment shall have been rendered and to the circumstances involved. It is the intent of the parties that this Agreement would have been accepted even if such invalid provisions had not been included.

12. Time is of the essence in the performance by Broadcaster of its obligations under this Agreement.

13. Corporation has the option to terminate this Agreement or suspend all services provided to Broadcaster hereunder five (5) days after sending written notice upon the occurrence of any of the following:

- a. Broadcaster's failure to pay when due any amount owing hereunder,
- b. Broadcaster's failure to perform any of its obligations hereunder,
- c. Broadcaster's change of transmitter location, tower height, power, and/or usage of translator or booster, without consent of Corporation,
- d. Broadcaster's failure to utilize the Service on or before the effective date set forth on page 1, or
- e. Broadcaster's failure to broadcast the Commercial Inventory as provided in this Agreement or failure to timely submit certificates of performance to Corporation.

Upon receiving notice of such termination or suspension, Broadcaster shall immediately cease using the Service. If Corporation elects to terminate this Agreement, Broadcaster shall remain liable for all license fees (if any) and the amount of \$1000.00 for each month remaining in the term of this agreement,



**JONES RADIO NETWORKS AFFILIATION AGREEMENT
(24 Hour Format)**

including automatic renewals (if any), plus any other damages of any nature suffered by corporation, directly or indirectly, as a result of Broadcaster's default. Broadcaster shall pay all costs and expenses that Corporation incurs in enforcing its remedies under this Agreement, including reasonable attorney's fees. All remedies of Corporation hereunder are cumulative and may be exercised concurrently or separately. No failure on the part of Corporation to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof. Termination or suspension by Corporation shall not affect or waive outstanding amounts due from Broadcaster to Corporation, nor constitute an election of remedies. Any extension of time to pay amounts due by Broadcaster shall not constitute either a waiver of rights by Corporation or the right to any future extension.

Notwithstanding anything to the contrary set forth in this agreement, upon thirty (30) days written notice, Corporation may terminate this Agreement in the event Corporation decides to no longer provide the Service.

14. Neither party shall be liable to the other party for special, incidental or consequential damages (even if such party has been advised of the possibility of such damages), including but not limited to loss of profits or anticipated sales, or on account of expenditures, investments or commitments made in connection with the business or goodwill of either party, or otherwise.

15. Corporation and Broadcaster agree to such other provisions as set forth below, if any:

- a. CORPORATION states that during the initial term of this Agreement STATION shall be allowed to begin airing FORMAT effective August 1, 2007 but shall not be required to air required Network Commercial Inventory until February 1, 2008. BROADCASTER understands and agrees that it shall be required to air all required Network Commercial Inventory during the entirety of any renewal terms of this Agreement.
- b. Both parties agree that in addition to the 'Exclusivity Area' granted BROADCASTER in 'Additional Provisions' rights to broadcast the FORMAT will not be granted to any other radio station whose city of license is located in the Eureka metro area as defined by Arbitron.
- c. All other terms and conditions of this agreement shall remain in full effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

JONES RADIO NETWORKS, INC.

BROADCASTER
Redwood Broadcasting Company Inc

By: _____
Phil Barry
Vice-President/General Manager

By: *Pattison Christensen*
Pattison Christensen
General Manager

Pat Christensen

From: "Lori Olsen" <LOlsen@jonesradio.net>
To: <pat@kxgo.com>
Cc: "Eric Sundstrom" <esundstrom@jonesradio.net>
Sent: Wednesday, May 23, 2007 1:45 PM
Attach: KXGO10981.pdf
Subject: Jones Radio Agreement KXGO-FM

Pat,

Attached is your "Rock Classics" agreement from Eric Sundstrom (505) 856-9053. Please hit the print button to print the **entire** document. Initial the first pages and sign the last page of the agreement. **Fax all pages to Lori Olsen at (303) 784-8612** and

return the originals to: Jones Radio Networks
Attr: Lori Olsen
8200 S. Akron St., Ste 103
Centennial, CO 80112

Thank you,

Lori Olsen

Affiliate Sales Assistant
Jones Radio Networks
lolsen@jonesradio.net

REPRESENTATION AGREEMENT

Agreement made as of the 1st day of March, 1999 (the "Effective Date") by and between **CHRISTAL RADIO SALES, INC.** ("Christal"), a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 125 West 55th Street, New York, New York 10019 and **MILLER BROADCASTING** ("Client"), a corporation organized and existing under the laws of the State of California with its principal place of business at 1800 Broadway Eureka, California 95501, which is the owner and operator of a radio station located at **ARCATIA (EUREKA), CALIFORNIA** currently using call letters **KXGO-FM** ("Station"). Additional defined terms are contained in Article 7 of this agreement.

1. Representation. Client represents that it is the sole owner of Station and that it is authorized to enter into this agreement.

2. Appointment. Client hereby appoints Christal as Station's sole representative and sales agent for the sale of all of Station's National Broadcast Advertising, such appointment to commence on the Effective Date and to be on the terms and conditions contained in this agreement. Christal accepts such appointment.

3. Christal's Promises. Christal agrees:

(a) to use its organization to solicit purchasers of National Broadcast Advertising to purchase National Broadcast Advertising to be broadcast on the Station;

(b) to maintain such sales offices for the solicitation of National Broadcast Advertising as Christal deems appropriate;

(c) to travel the areas between its offices at its expense in such manner and at such times as Christal deems appropriate to contact advertisers and advertising agencies on behalf of Station; and

(d) not to enter into any agreement obligating Client or Station to the sale of National Broadcast Advertising without written, fax or EDI authority from Client.

4. Client's Promises. Client agrees:

(a) to pay Christal a commission on Station Net Billing as follows:

Gross Billings	Commission Rate
\$0-Prior Year's Actual (PYA)	13%
PYA Billing to Budget	14%*
Over Budget	15%*

*Retroactive to dollar one.

Budgets will be mutually agreed upon.

These rates are in effect as long as Client is the owner of Station and, therefore, the owner of the commercial advertising time of Station. In the event Client is no longer the owner of Station and the owner of the commercial advertising time of Station, the commission rate becomes Fifteen (15%) percent effective immediately upon such change.

(b) to pay to Christal at its New York office (or such address as Christal shall designate), not later than the 40th day following the close of each standard broadcast month, commissions calculated on Station Net Billing for all National Broadcast Advertising broadcast by Station during that month except that, five days after the close of the standard broadcast month during which the Termination Date occurs, Client shall pay to Christal all unpaid commissions, at the rate set forth in paragraph 4(a) above, for all National Broadcast Advertising broadcast by Station through and including the Termination Date;

(c) to provide Christal's New York office, within five days of the close of each standard broadcast month, with a statement setting forth the name of each advertiser of National Broadcast Advertising, the Station Net Billing therefor, and the commission due Christal;

(d) to use its best efforts to collect all amounts due it for National Broadcast Advertising. If a National Broadcast Advertising account upon which commission to Christal has been paid remains unpaid for more than 120 days, and reasonable efforts have been made to collect the sum due Client, Client may deduct the commission paid thereon from subsequent commission payments to Christal. If, after such deduction, Client collects all or part of the unpaid amount, Client promptly shall pay the commission to Christal on amounts thereafter collected;

(e) to list Christal as its sole representative in Standard Rate and Data or similar services, visit Christal offices, visit advertising agencies with Christal, keep Christal advised of its programming and otherwise assist Christal in selling National Broadcast Advertising;

(f) to advise any potential purchaser of National Broadcast Advertising that National Broadcast Advertising is sold only through Christal on the same terms as sold by Station and can only be purchased through Christal;

(g) not to engage or use the services of any person, firm or corporation, other than Christal, for the sale of National Broadcast Advertising; and

(h) not to materially reduce the amount of time available on Station for the broadcast of National Broadcast Advertising.

5. Termination of this Agreement.

(a) Termination Notice/Termination Date.

(i) Either party may terminate this agreement by giving the other party a Termination Notice.

(ii) If Client gives Christal a Termination Notice, the Termination Date shall be that date specified by Client in the Termination Notice, which date shall be no earlier than one week after the date the Termination Notice is given.

(iii) If Christal gives Client a Termination Notice and at the time Christal gives the Termination Notice, performance by Christal is not excused, this agreement shall terminate and the Termination Date shall be one (1) year after the date the Termination Notice is given or such earlier date as shall be mutually agreed upon by Christal and Client.

(iv) If Christal gives Client a Termination Notice and at the time the Termination Notice is given, performance by Christal is excused, this agreement shall terminate and the Termination Date shall be the date specified by Christal in the Termination Notice.

(b) Amount of Termination Obligations.

(i) If Client terminates this agreement and the Termination Date is on or after the third anniversary of the Effective Date, Client shall pay to Christal the Termination Obligations calculated pursuant to subparagraph 5(c)(i) below.

(ii) If Client terminates this agreement and the Termination Date is before the third anniversary of the Effective Date, Client shall pay to Christal the Termination Obligations calculated pursuant to subparagraph 5(c)(ii) below.

(iii) If Christal terminates this agreement pursuant to subparagraph 5(a)(iii) above, Client shall pay to Christal the Termination Obligations calculated pursuant to subparagraph 5(c)(iii) below.

(iv) If Christal terminates this agreement pursuant to subparagraph 5(a)(iv) above, Client shall pay to Christal the higher of the Termination Obligations calculated pursuant to subparagraph 5(c)(i) or those calculated pursuant to subparagraph 5(c)(ii).

(c) Calculation of Termination Obligations. The Termination Obligations are an amount equal to Christal's Average Monthly Commission during the twelve (12) full months ending on or immediately prior to the Termination Date multiplied by

(i) fourteen (14);

(ii) the number of full and partial months between the Termination Date and the fourth anniversary of the Effective Date, plus two; or

(iii) two.

(d) Payment of Termination Obligations. In addition to the payments Client is required to make pursuant to paragraphs 4(a) and 4(b) above, Client shall pay the Termination Obligations as follows:

(i) If the Termination Obligations are calculated pursuant to subparagraph 5(c)(i) above, they shall be paid in seven equal successive monthly installments commencing on the Termination Date and on the same day in each month thereafter until paid in full.

(ii) If the Termination Obligations are calculated pursuant to subparagraph 5(c)(ii) above, they shall be paid in that number of equal consecutive monthly installments equal to half the number of full months between the Termination Date and the fourth anniversary of the Effective Date. The first such installment shall be paid on the Termination Date and the remaining installments shall be paid on the same day in each month thereafter until paid in full.

(iii) If the Termination Obligations are calculated pursuant to subparagraph 5(c)(iii) above, they shall be paid in full on the Termination Date.

(iv) If any installment of the Termination Obligations is not paid within ten days of its due date, Christal may declare the entire balance of the Termination Obligations immediately due and payable by notice to Client and upon giving of such notice, the entire amount of the Termination Obligations immediately shall become due and payable.

6. Excused Performance. Christal's performance hereunder shall be excused, at its option, if Client (a) is more than 45 days past due in its payment to Christal of commissions or other payments; (b) is otherwise in material default under this agreement, Christal gives Client written notice that such material default exists, and during the 30 days after such notice is given all such defaults are not cured; (c) appoints another representative for the sale of National Broadcast Advertising; or (d) materially changes the operation of the Station in a manner that materially and adversely affects Christal's commissions including, but not limited to, becoming a satellite station of another station, or a party to an L.M.A., time brokerage agreement or other agreement as a result of which another person or entity has the right to sell a substantial portion of the National Broadcast Advertising broadcast on the Station. Christal shall exercise its right to be excused in a written notice to Client which notice shall set forth the date on which Christal shall be deemed excused from performance.

7. Definitions. As used in this agreement the term:

(a) "Average Monthly Commission" shall mean the average monthly commission earned by Christal pursuant to this agreement during the twelve full broadcast months immediately preceding the Termination Date or if on the Termination Date, Christal has represented Station less than twelve full broadcast months, the higher of (i) the average monthly commission earned by Christal during the full broadcast months between the Effective Date and the Termination Date or (ii) the average monthly commissions Client was obligated to pay to the national sales representative which represented the Station during the twelve full broadcast months immediately preceding the Effective Date;

(b) "EDI" shall mean Electronic Data Interchange;

(c) "National Broadcast Advertising" shall mean all broadcast advertising time committed to or sold for or by Station on or prior to the Termination Date for broadcast on the Station thereafter except:

(i) advertising broadcast by Station which is received from and broadcast with a program received from a national or regional network;

(ii) advertising included in or broadcast as a part of a program received from, licensed by or syndicated by anyone else which is broadcast on the Station if no cash consideration is received by the Client for broadcasting such program or advertising. If Client receives any cash consideration for broadcasting a program, any advertising distributed with or in the program by the distributor, licensor or syndicator is and shall be considered National Broadcast Advertising and the cash consideration shall be deemed payment therefore;

(iii) time sold to accounts located exclusively in "the excluded territory." The excluded territory is the 75 mile radius of the City Hall of Eureka, California. An account is not located exclusively in the excluded territory if either the point of origin of an order for advertising, or the point to which billing is sent is not in the excluded territory;

(iv) time sold to certain excluded accounts as agreed to in writing by Station and Christal from time to time;

(d) "Station Net Billing" shall mean the Station's gross billings from the sale of National Broadcast Advertising, less usual advertising agency commissions;

(e) "Termination Date" shall have the meaning given to it in paragraph 5(a) of this agreement;

(f) "Termination Notice" shall mean a written notice from one party to the other terminating this agreement; and

(g) "Termination Obligations" shall have the meaning given to it in paragraphs 5(b) and 5(c) of this agreement.

8. Miscellaneous.

(a) No failure by Christal to act or delay by Christal in exercising any right or remedy hereunder shall operate as a waiver thereof and no waiver shall be valid unless in writing and signed by Christal and then only to the extent set forth therein. An election or waiver by Christal of any right or remedy on any occasion shall not be construed as a bar to any right or remedy Christal would have on any future occasion. All rights and remedies are cumulative and not exclusive of any other rights and remedies.

(b) Every provision of this agreement is severable and if any term or provision shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

(c) Any notice required or permitted to be given hereunder shall be in writing and shall be delivered personally, or sent by registered or certified mail, return receipt requested, postage prepaid or by overnight courier such as Federal Express in all cases to the addresses set forth in the first paragraph of this agreement or such other address as either party may specify in a notice given pursuant to this article. A notice shall be deemed given when delivered personally, three business days after mailing by certified or registered mail or one business day after delivery to the overnight courier.

(d) If any action be brought by any party to this agreement to enforce this agreement or any provision thereof or to collect any amounts due it hereunder, the prevailing party in any such action shall be entitled to recover, in addition to any other relief or damages, prejudgment interest, the costs and expenses of litigation and reasonable attorney's fees incurred in prosecuting or defending the action or in collecting any judgment.

(e) This agreement constitutes the entire agreement between the parties for the representation of the Station and may not be amended except by a written instrument signed by both parties. This agreement terminates and supersedes all prior agreements, arrangements and understandings, whether between the parties or any assignor of either of them, for the representation of the Station.

(f) This agreement shall at all times be subject to the rules and regulations of any governmental agency having statutory jurisdiction over Christal, Station or its or their operations. It shall be binding upon the parties hereto, their successors and assigns. Client agrees that if the license to operate Station is assigned or transferred, it will assign this agreement to the assignee or transferee of the license and require the assignee or transferee to assume this agreement, but such assignment and assumption shall not relieve Client of liability hereunder. Notwithstanding any other provision of this agreement to the contrary, on or before assignment of this agreement by Client, Client shall pay Christal commissions on all National Broadcast Advertising broadcast on Station through and including the last day of the broadcast month immediately preceding the date on which such assignment is made. In addition, Client shall pay Christal commissions on all other National Broadcast Advertising broadcast prior to the date of assignment ten days after the date Client assigns this agreement.

(g) This agreement shall not be effective until accepted by Christal at its office in New York, New York. It is made, executed and delivered in New York, New York and shall be construed, governed and enforced by and in accordance with the laws of the State of New York without giving effect to conflict of law principles.

IN WITNESS WHEREOF, the Client has executed this agreement and Christal has accepted this agreement in New York, New York as of the date first above written.

CHRISTAL RADIO SALES, INC.

BY 
SIGNATURE

NAME Stuart O. Olds

TITLE President, KRG

MILLER BROADCASTING

BY 
SIGNATURE

NAME PATSY J. CHRISTENSEN

TITLE President

AT&T Advertising Solutions

Advertising Statement

Billing Date November 25, 2009

>>> Due Date December 15, 2009 <<<

Account Number 8215826296-00000

Page 1 of 1



For inquiries concerning your account, please contact our Customer Service Center at 1-800-479-2977, Monday-Friday between 8:30 am - 5:00 pm.

REDWOOD BROADCASTING CO INC
803 F ST
EUREKA CA 95501 1011

Bill-At-A-Glance Details follow this section

Previous Bill Amount	\$	52.38
Payments Applied	\$	0.00
Past Due Balance	\$	52.38
Current Charges (includes ** New Advertising)	\$	27.78

Minimum Amount Due	>>>>>>>>>>	\$	80.16
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Minimum Amount Due in Full By >>> DEC. 15, 2009

***** BILLING DETAILS *****

Explanation of Current Charges \$ 27.78

HUMBOLDT CO, CA Directory 11/09	\$	27.00 ** New
Listed Number 707-442-5946		
Listed Number 707-445-3699		

Other Charges and Credits	\$	0.78
Late Payment Interest Charges	\$	0.78

** New Directory Advertising Details

HUMBOLDT CO, CA Directory 11/09	\$	648.00
Incentive	\$	324.00 CR
Advertising Amount Owed	\$	324.00

Important Information About Your Account

If you would like to pay your account in full, the Total Amount Owed as of this date is listed below for the life of each directory advertising product you have purchased. This total also includes Internet charges owed, but does not include contracted Internet amounts not yet billed. For questions about this total, please contact our Customer Service Center at 1-800-479-2977. Thank you.

HUMBOLDT CO, CA Directory 11/08	\$	51.99
HUMBOLDT CO, CA Directory 11/09	\$	324.00
Other Charges and Credits	\$	1.17
Total Balance	\$	377.16

NOTE: The amounts above are net of incentives, adjustments, & advance payments.

Important Information About Your Account - Continued

DEVICE FOR THE DEAF TDD# 1-800-682-2355

Please note, a \$25.00 charge applies to returned checks.

Are you tired of writing monthly checks? To save you time, we can automatically generate a monthly debit to your bank account or a monthly charge to your credit card. Enrollment is as easy as visiting www.RealYP.att.com or calling our Customer Service Center toll free at 1-800-479-2977. Thank you for choosing AT&T Advertising Solutions for your advertising needs.

Your account is now past due. Your immediate attention is required. Please contact us at 1-800-479-2977 to discuss payment arrangements or to pay by phone. If you have already paid current, please accept our thanks and disregard this message.

Advertising News

AT&T Advertising & Publishing is now AT&T Advertising Solutions. Please note our new name on the remittance section of this bill. Our new name reflects our expanding product set of advertising solutions. We deliver more leads, from more places, that can help businesses like yours grow. AT&T Advertising Solutions provides print, Internet, mobile, search engine marketing, direct marketing and more. Call us today at 1-800-GET-REAL to learn more about the advertising solutions we now offer.

You can now View and Pay your Yellow Pages Bill Online 24/7 at www.RealYP.att.com. Once registered, view and pay your yellow pages bill online, set up e-mail notifications and automatic recurring monthly payments through checking or credit/debit card application. You can also elect to receive bills via e-bill or "paper only". These are just some of the new self-service billing features provided by AT&T Advertising Solutions, The Real Yellow Pages. Register today at www.RealYP.att.com.

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SCHEDULE 1.1.4
Intangible Assets

None

SCHEDULE 1.2.9
Excluded Tangible Personal Property

None

SCHEDULE 2.2
Allocation of Purchase Price

Tangible Property	\$100,000
Intangible Property and Goodwill	\$350,000

SCHEDULE 6.4
Transmitter Site Leases

ANTENNA SITE LEASE

Lease Summary

Recitals

- Section 1. Lease of Premises
- Section 2. Use
- Section 3. Term
- Section 4. Rent
- Section 5. Tenant's Covenants
- Section 6. Tenant's Representations and Warranties
- Section 7. Insurance
- Section 8. Taxes and Utilities
- Section 9. Permits and Licenses
- Section 10. Eminent Domain
- Section 11. No Waste
- Section 12. Notices
- Section 13. Peaceable Possession
- Section 14. Conduct of Business
- Section 15. Alterations
- Section 16. No Liens
- Section 17. Repairs
- Section 18. Destruction and Damage
- Section 19. Assignment and Subletting
- Section 20. Events of Default
- Section 21. Termination upon Default
- Section 22. Continuation after Default
- Section 23. Other Relief
- Section 24. Landlord's Right to Cure Default
- Section 25. Attorneys' fees
- Section 26. Subordination
- Section 27. No Merger
- Section 28. Sale
- Section 29. Estoppel Certificate
- Section 30. No Waiver
- Section 31. Holding Over
- Section 32. Corporate Authority
- Section 33. Late Charge
- Section 34. Limitation of Liability
- Section 35. Surrender
- Section 36. Entire Agreement
- Section 37. Compliance with Legal Requirements; Landlord's Obligations
- Section 38. IntraAntenna Site Network Cables
- Section 39. Indemnification
- Section 40. Time of Essence
- Section 41. Security Measures
- Section 42. Governing Law

THIS ANTENNA SITE LEASE (“Lease”), made and entered into as of _____, 2010, subject to the Commencement Date set forth in the “Commencement Date Memorandum,” a copy of which is attached hereto as **Exhibit A**, by and between Redwood Broadcasting Company, a California corporation (“Landlord”), and Lost Coast Communications, Inc., a California corporation, licensee of an FM radio broadcast station known and licensed as KXGO (referred to herein as either “KXGO” or “Tenant”).

Recitals

A. Landlord is the owner of that certain real property known as “Barry Ridge Tower Site,” as more particularly described in **Exhibit B** attached hereto and incorporated herein by this reference (the “Antenna Site”).

B. Landlord desires to lease to Tenant and Tenant desires to lease from Landlord a portion of the Antenna Site, consisting of a portion of the premises of the Antenna Site as more particularly shown on **Exhibit C** attached hereto and incorporated herein (the “Premises”) for the location of a transmitter and back-up transmitter, together with related microwave receiver(s), antennas, feedlines, and associated hardware, and use of the existing backup generator.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

Section 1. Lease of Premises.

Landlord leases to Tenant and Tenant leases from Landlord the Premises for the term and upon the covenants, agreements, and conditions set forth herein.

Section 2. Use.

(a) The Premises is the current site of Station KXGO. The Premises shall be used by Tenant solely as an antenna site and transmitter location microwave receiver, antennas, feedlines, and associated hardware and any other purpose or purposes incidental thereto, subject to Landlord’s express written consent as to the nature, scope and power requirements for the placement of any personal property or trade fixtures necessary for such purposes in or on the Premises. Tenant shall not use, or permit the Premises or any part thereof to be used, for any purpose other than the purpose for which the Premises are hereby leased. No use shall be made or permitted to be made of the Premises, nor acts done in, on, or about the Premises, that will increase the existing rate of insurance on the Antenna Site, or cause a cancellation of any insurance policy covering the Antenna Site, or any part thereof. Tenant shall not commit, or suffer to be committed, any waste on the Premises, or any public or private nuisance, or other act or thing that may injure, annoy, or disturb the quiet enjoyment of any occupant of neighboring properties or other tenant in the Antenna Site; nor, without limiting the generality of the foregoing, shall Tenant allow the Premises to be used for any improper,

unlawful, or objectionable purpose. Tenant shall not place any harmful liquids in the drainage system of the Premises or of the Antenna Site. Tenant shall not place on the Premises any loads that might endanger the structure, nor overload any electrical, mechanical, or other systems.

(b) No waste materials or refuse shall be dumped on or permitted to remain on any part of the Premises outside the Antenna Site. No materials or articles of any nature shall be stored on or permitted to remain outside of the Antenna Site.

(c) Tenant shall comply with all the covenants, conditions, and/or restrictions (“CC&Rs”) affecting the Premises or the Antenna Site, and with all rules and regulations affecting the Premises and the Antenna Site.

(d) Tenant shall not store, use, or dispose of any Hazardous Materials (as hereinafter defined) on or about the Premises; provided, however, that Tenant shall have the right to use reasonable amounts of chemicals and/or solvents used for an antenna site without notifying Landlord. Tenant shall be solely responsible for and shall defend, indemnify, and hold Landlord, and Landlord's partners, officers, employees, successors, assigns, and agents, harmless from and against all claims, demands, damages, costs, and liabilities, including attorneys' fees and costs, arising out of or in connection with the use, or disposal of Hazardous Materials by Tenant, its agents, employees, contractors, or sublessees. As used herein, the term “Hazardous Material” means any hazardous or toxic substance, material, or waste, the storage, use, or disposition of which is or becomes regulated by any local governmental authority, the State of California, or the U.S. Government. The term “Hazardous Material” includes, without limitation, any material or substance that is (i) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as “hazardous” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) designated as a “hazardous substance” pursuant to 33 USCA § 1321, § 311 of the Federal Water Pollution Control Act, (viii) defined as a “hazardous waste” pursuant to 42 USCA § 6903, Section 1004 of the Federal Resource Conservation and Recovery Act, (ix) defined as a “hazardous substance” pursuant to 42 USCA § 9601, § 101 of the CERCLA, or (x) listed or defined as “hazardous waste,” a “hazardous substance,” or other similar designation by any regulatory scheme of California or the U.S. Government.

(e) If any cleanup, remedial removal, or restoration work is required by any federal, state or local governmental agency or political subdivision (“Governmental Agency”) because of the presence of Hazardous Materials on or about the Premises, the

Antenna Site or surrounding properties caused or permitted by Tenant, its agents, employees, contractors, or sublessees, then Tenant shall, at its sole cost, promptly take any and all action necessary to perform such cleanup, remedial removal, or restoration. Tenant shall be solely responsible for, and shall defend, indemnify, and hold Landlord and Landlord's partners, officers, employees, successors, assigns, and agents harmless from and against all claims, demands, damages, costs, and liabilities, including attorneys' fees and costs, arising out of or in connection with any such removal, cleanup, or restoration work (including the cost of all materials).

(f) If Landlord has good cause to believe that the Premises or the Antenna Site have or may have become contaminated by Hazardous Materials and that such contamination was caused or permitted by Tenant or its agent, employee, contractor, or sublessee, Landlord may cause tests to be performed, including tests of the air, soil, and ground water, to detect the presence of Hazardous Materials. The cost of such tests, irrespective of the results thereof, shall be paid by Tenant only if such tests prove there is the presence of pollution and only if it has been determined that the Tenant is the polluter.

(g) The termination of the Lease shall not terminate the parties' respective rights and obligations under this Section 2, and the parties hereto expressly agree that the provisions contained herein shall survive the termination of Tenant's leasehold estate.

(h) The obligations imposed on Tenant pursuant to this Section 2 are in addition to, and not in lieu of, the obligations imposed on Tenant pursuant to Sections 5 and 38 of this Lease.

(i) The provisions of this Section 2 are for the benefit of the Landlord only and shall not be construed to be for the benefit of any other person or occupant of the Premises.

Section 3. Term.

(a) The Premises are hereby leased to Tenant for ten (10) years (the "Term"), commencing on the "Commencement Date," and unless sooner terminated in accordance with the terms of this Lease, terminating on the tenth anniversary thereof (the "Termination Date"). Within ten (10) days after written request from Landlord, Tenant will execute and return to Landlord an acknowledgment of the Commencement Date. Any delay in the Commencement Date shall not constitute a default hereunder by Landlord nor shall it cause this Lease to become void, voidable, or terminable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, but such delay shall serve to extend the Term day for day for the period of such delay.

(b) The term hereof shall renew automatically for two (2) periods of five (5) years each under the same terms and conditions as contained in this Antenna Site Lease unless Tenant elects to not extend such Term by mailing written notice to Landlord at least

ninety (90) days before the expiration of the term indicated in Section 3(a) above, or as once extended.

Section 4. Rent.

(a) In consideration hereof, Tenant covenants and agrees to pay to Landlord, commencing with the first day of the Term, rent for the Premises ("Rent"), in the amount of \$1,100.00 per month ("Rent").

(b) Rent shall be paid to Landlord on or before the Commencement Date and on or before the first day of each successive calendar month thereafter during the Term.

(c) All charges and other amounts of any kind payable by Tenant to Landlord pursuant to this Lease shall be deemed additional rent. Landlord shall have the same remedies for default in the payment of additional rent as for default in the payment of Rent. Rent and additional rent are collectively referred to herein as "Rent."

(d) All Rent shall be paid to Landlord, without deduction or offset, in lawful money of the United States of America at Landlord's address for notices hereunder or to such other person or at such other place as Landlord may from time to time designate in writing. All Rent payable by Tenant to Landlord hereunder, if not received by Landlord when due, shall bear interest from the due date until paid at the rate of eighteen percent (18%) per annum, but in no event shall such interest exceed the maximum rate permitted by law ("Default Rate"). Landlord's acceptance of any interest payments shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the rights and remedies available to Landlord under this Lease or by law.

(e) In the event of a Chronic Delinquency (as hereinafter defined), at Landlord's sole option, Landlord shall have the right, in addition to all other remedies under this Lease and at law, to require that Rent be paid by Tenant quarterly, in advance. This provision shall not limit in any way nor be construed as a waiver of the rights and remedies of Landlord provided herein or by law in the event of delinquency. "Chronic Delinquency" shall mean failure by Tenant to pay Rent, or any other payments required to be paid by Tenant under this Lease as and when due for any three (3) months (consecutive or nonconsecutive) during any twelve (12)-month period.

(f) Tenant agrees that so long as this Lease is in force, there may be an annual adjustment to the Rent based upon the annual change in the San Francisco Bay Area - All commodities Consumer Price Index maintained by the United States Bureau of Labor Statistics, or a successor index. The base month and year for measuring such change shall be _____, 2010. Landlord shall give annual written notice to Tenant of the change (if any) in Rent due hereby.

Section 5. Tenant's Covenants.

Tenant covenants as follows:

(a) Tenant shall operate in the Premises an antenna site for a transmitter, microwave receiver, antennas, feedlines, and associated hardware (the "Antenna Site");

(b) Tenant shall have complete and total responsibility for all aspects of the daily operation, maintenance, and repair of the Antenna Site in compliance with all applicable laws and regulations. Tenant agrees it shall operate and maintain its equipment and facilities in accordance with the highest prevailing engineering standards in the communications industry and in all applicable respects with all fire, safety and construction standards and regulations. Tenant agrees it will at all times comply with the statutes, regulations, ordinances and orders of any governmental authority which are or may become applicable to the operation and maintenance of Tenant's equipment and facilities, and agrees that its failure to do so, without abatement of the condition causing noncompliance, shall constitute an event of default herein;

(c) In the event that the engineering, installation, operation or maintenance of Tenant's equipment or facilities causes any interference, hindrance or obstruction of the use or operation of radio, television, electronic, test or diagnostic equipment owned or operated by Landlord, or any other Tenant or neighbor of Landlord at the Premises, Tenant shall at its sole cost and expense, forthwith cause the cessation of such interference, hindrance or obstruction. If after notice from Landlord to Tenant to cease such interference, hindrance or obstruction, Tenant shall continue its operations without the required abatement for more than thirty (30) days, then Landlord may, at its sole option, terminate this Lease. Landlord agrees that in the event another tenant of Landlord's causes any interference, hindrance or obstruction of interference to the use or operation of radio, television, electronic, test or diagnostic equipment owned or operated by Tenant, Landlord shall require to tenant to cease such interference, hindrance or obstruction;

(d) In the performance of maintenance of its equipment and facilities, Tenant shall employ only those employees and retain such contractors as are properly trained therefor in compliance with California State Code of Regulations, Title 8, Chapter 4, section 3203, and that in all such conduct its employees and contractors shall comply with the regulations and orders applicable to such work pursuant to Cal/OSHA regarding illness and injury prevention. Tenant agrees that employees or contractors in its hire shall not be on the Premises in an intoxicated or otherwise impaired state due to the use of any drugs or alcohol, and that an incident of the breach hereof is grounds for immediate termination of this Lease by Landlord. If Tenant receives an abatement order from any governmental agency having authority therefor and does not comply within the time limit specified, then Landlord, upon receiving notice thereof, may correct such conditions and bill Tenant for all costs incurred;

(e) In the hiring of contractors to perform any services for Tenant at the Premises, Tenant shall ensure that all such parties are adequately insured so as to protect Landlord from any liability for claims due to personal injury, death or property damage of any kind resulting from their activities on the Premises; further, that if Tenant's contractors are unable to perform this indemnity, Tenant shall defend and indemnify Landlord of all losses, costs and damages resulting therefrom, including all defense costs and attorneys' fees; and

(f) In times of power interruption at the site, Landlord will allow Tenant to use the Landlord's power generation equipment on an as-needed basis pending restoration of transmitted electrical service by the affected utility provider. Tenant agrees that under such operating conditions to transmit under "low power" configurations approved in advance from time to time by Landlord.

Section 6. Tenant's Representations and Warranties

Tenant represents and warrants as follows:

(a) All information, financial and otherwise, related to the qualifications, experience, and ability of Tenant provided to Landlord prior to or concurrent with the execution of this Lease by Tenant was true and correct when provided to Landlord and remains true and correct as of the date of this Lease; and

(b) Tenant is experienced in the operation of first-class transmitter facilities and is competent to operate such Antenna Site.

Section 7. Insurance.

(a) Tenant shall procure at its expense and keep in force during the term of this Lease, the following insurance coverage:

(i) Commercial General Liability Insurance Policy covering Property Damage and Bodily Injury claims, including contractual liability and completed operations, with a combined single limit of at least Two Million Dollars (\$2,000,000.00); and

(ii) Automobile liability (including owned and non-owned automobiles) and Property Damage with a combined single limit of at least One Million Dollars (\$1,000,000.00).

All such insurance shall be on an occurrence basis and shall be placed with a company or companies reasonably satisfactory to Landlord. Certificates of such insurance shall be provided to Landlord prior to the Commencement Date. No policy shall provide for a deductible per claim in excess of One Thousand Dollars (\$1,000.00). Such insurance policy shall be endorsed to provide for thirty (30) days' written notice to Landlord prior to termination of coverage and/or before any changes that restrict or reduce the coverage provided for or change the name of the insured are made. Tenant also shall provide

Workers' Compensation coverage covering employees as required by law. Landlord and any parties in interest specified by Landlord shall be named as additional insureds on all such policies.

(b) Tenant and Landlord each hereby release and relieve the other, and hereby waive their entire right of recovery against the other, for loss or damage arising out of or incident to the perils covered by fire and extended coverage insurance or special-form all-risk insurance in force at the time of such loss or damage, which perils occur in, on, or about the Premises or the Antenna Site, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors, and/or invitees. Tenant and Landlord shall, upon obtaining the policies of insurance required, give notice to the insurance carrier or carriers that the foregoing waiver of subrogation is contained in this Lease.

Section 8. Taxes and Utilities.

Landlord agrees to pay any and all real estate taxes and assessments levied upon or assessed against the Premises as the same become due. Tenant agrees to pay electrical, water, telephone, gas, and other utility services used on the Premises, and all personal property taxes and assessments levied up or assessed against the Transmitter as the same become due.

Section 9. Permits and Licenses.

Tenant agrees to procure any and all permits or licenses necessary for the operation of the Antenna Site (as set forth in Section 5 above), and Landlord agrees to assist Tenant in obtaining such permits or licenses if such assistance is necessary.

Section 10. Eminent Domain.

If all or a substantial portion of the Premises shall be acquired or condemned by any governmental authority by use of eminent domain for any public or quasi-public use or purpose, or otherwise, then Tenant shall have the right to elect to remain on the balance of the Premises, if any, or to terminate this Lease. Tenant shall have the right to remove any and all of its personal property and other trade fixtures prior to title divesting as above stated. It is fully understood and agreed that Tenant shall not be entitled to any portion of any award or settlement received from any condemning authority, whether all or a portion of the Premises shall be condemned, excepting only the amount of any award made for loss of Tenant's leasehold improvements.

Section 11. No Waste.

Tenant covenants and agrees that it will not commit or suffer any waste in the Premises.

Section 12. Notices.

Any notices or communications required to be given to or by or served on the respective parties hereto may be so given or served by personal delivery or by mailing the same, properly addressed and stamped, to such party or parties by United States registered or certified mail. Notice shall be effective upon delivery if given by personal delivery or two (2) days after mailing if given by registered or certified mail. Until new addresses are given, the addresses of the respective parties for the purpose of such notices or communications and for another purpose shall be:

Landlord: Redwood Broadcasting Company
Attention: Pattison Christensen
603 F Street
Eureka, California 95501

Tenant: Lost Coast Communications, Inc.
Attention: Patrick Cleary
1400 Main Street
Ferndale, California 95536

Section 13. Peaceable Possession.

Landlord hereby warrants and represents that it has the authority to lease the Premises and to execute this Lease and that the laws and/or ordinances affecting the use of this property do not prohibit the uses herein provided. Landlord further covenants and agrees that Tenant, upon performing and quietly observing the terms and conditions of this Lease, may peacefully hold and enjoy the Premises during said term without any interruption by Landlord, its successors or assigns, or any person or company lawfully claiming by or through it.

Section 14. Conduct of Business.

Tenant acknowledges that the operation of fully compliant, high-quality equipment at the Premises is of utmost importance to the proper operation of Landlord's Antenna Site. Moreover, Landlord hereby acknowledges that the equipment at the Premises has been previously installed. Accordingly, Tenant agrees to maintain the Premises in a compliant and conforming condition and shall conduct its operations in a compliant and conforming manner and so as not to annoy, disturb, or interfere with the transmitters of other tenants in the Antenna Site. It is expressly understood and agreed that Tenant's equipment will be maintained so as not to interfere in any manner whatsoever with the equipment of Landlord, or any other Tenant of Landlord operating and maintaining its equipment on the Premises, and so as to meet all applicable FCC regulations and conditions of its license. Landlord acknowledges that the equipment as installed and in existence at the time of the commencement of this Lease complies with these requirements. The installation of any new equipment owned by Tenant shall be

performed by Tenant by means which will not weaken or damage the property of Landlord.

Section 15. Alterations.

Tenant will not make or suffer to be made any alterations, additions, or improvements to the Premises or any part thereof, or attach any fixtures or equipment thereto, without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld. All approved alterations, or improvements to the Premises, including, without limitation, all fixtures of any kind, shall belong to Tenant. Upon the expiration or sooner termination of the Term and provided that Tenant is not then in default hereunder, Tenant may remove its trade fixtures and other personal property, provided that Tenant promptly shall repair, at its sole cost and expense, any damage to the Premises caused by such removal. Notwithstanding any other provisions contained in this Lease, Tenant agrees that upon Landlord's written request made within thirty (30) days following the expiration or termination of this Lease, at its sole cost and expense, it shall remove promptly any alterations, improvements, fixtures, and/or personal property designated by Landlord to be removed and repair any damage to the Premises resulting from such removal.

Section 16. No Liens.

Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. Landlord shall have the right to post and keep posted on the Premises any notices that may be provided by law or that Landlord may deem to be proper for the protection of Landlord and the Premises from such liens.

Section 17. Repairs.

Tenant shall accept that conditions on the property are in good condition and that any problems with the premises prior to Tenant's entry are the Landlord's responsibility. At all times during the Term and at Landlord's sole cost and expense, Landlord shall keep the Premises and every part thereof in good condition and repair, ordinary wear and tear, damage thereto by fire, earthquake, act of God, or the elements excepted. Tenant reserves the right to make needed repairs and deduct such costs from the rent if the repairs are the Landlord's responsibility. Subject to the provisions of Section 15 above concerning the removal of alterations, and improvements, at the end of the Term, Tenant shall surrender to Landlord the Premises and all alterations, and improvements thereto in the same condition as when received or when first installed, ordinary wear and tear and damage by fire, earthquake, act of God, or the elements excepted. After Tenant takes possession of the Premises, Landlord has no obligation and has made no promise to alter, remodel, improve, or repair the Premises or any part thereof. No representations respecting the condition of the Premises have been made by Landlord to Tenant, except as may be specifically herein set forth. Tenant shall be permitted access to the Premises

on a 24-hour basis by keyed entry to perform equipment maintenance and to perform all its duties under its FCC license.

Section 18. Destruction and Damage.

(a) In the event the Premises are damaged by fire, act of God, the elements, or other casualty covered by Landlord's insurance, Landlord forthwith shall repair the same, subject to the provisions of this section hereinafter set forth, if such repairs can, in Landlord's opinion, be made within 90 days after such casualty, and this Lease shall remain in full force and effect except that, if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's employees, an abatement of rental shall be allowed Tenant for such part of the Premises as shall be rendered unusable by Tenant in the conduct of its business during the time such part is so unusable.

(b) If such repairs cannot, in Landlord's opinion, be made within 90 days of such casualty, Landlord may elect, upon notice to Tenant within 30 days after the date of such fire or other casualty, to repair or restore such damage, in which event this Lease shall continue in full force and effect, but rental shall be partially abated as provided in this section above. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

(c) A total destruction of the Antenna Site in which the Premises are located automatically shall terminate this Lease. Tenant waives California Civil Code Sections 1932 and 1933 insofar as they provide for termination of hiring upon destruction of the thing hired.

Section 19. Assignment and Subletting.

(a) Without the prior written consent of Landlord, which consent shall not be unreasonably withheld, Tenant shall not assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. If Tenant is a corporation or a partnership, the transfer of more than fifty percent (50%) of the beneficial ownership interest of the corporate stock or in the partnership of Tenant, as the case may be, shall constitute a prohibited assignment hereunder. No consent by Landlord shall be deemed to be a consent to any subsequent or further assignment, hypothecation, subletting, or third-party use. This Lease shall not be assigned, nor shall any interest herein be assignable, as to the interest of Tenant by operation of law without the written consent of Landlord. Any of the foregoing acts without such consent shall be void, and, at the option of Landlord, shall terminate this Lease.

Notwithstanding the forgoing, Tenant may freely assign this Lease, without Landlord's consent, to any corporation that controls, is controlled by, or is under common control with Tenant, or to any corporation resulting from merger or consolidation with Tenant, or to any person or entity that acquires all the assets as a going concern of the Tenant's business that is being conducted on the Premises.

(b) Any permitted assignment shall release Tenant of Tenant's obligation to pay the rental and to perform all other obligations to be performed by Tenant hereunder. The acceptance of rental by Landlord from any other person shall not itself be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

(c) In the event Tenant shall assign or sublet the Premises or request the consent of Landlord to any assignment or subletting, or if Tenant shall request the consent of Landlord for any act that Tenant proposes to do, then Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection therewith.

Section 20. Events of Default.

The occurrence of any one or more of the following events ("Events of Default") shall constitute a breach of this Lease by Tenant:

(a) Tenant fails to pay any rental due hereunder when it becomes payable;

(b) Tenant fails to pay any other sum due hereunder and such failure continues for 10 business days after notice thereof from Landlord;

(c) Tenant fails to perform or observe any other term hereof to be performed or observed by Tenant, such failure continues for more than 30 days after notice thereof from Landlord, and Tenant does not within such period commence with due diligence and dispatch the curing of such default, or, having so commenced, thereafter fails or neglects to prosecute or complete with due diligence the curing of such default;

(d) Tenant makes a general assignment for the benefit of creditors; or admits in writing its inability to pay its debts as they become due or files a petition in bankruptcy, or is adjudicated as bankrupt or insolvent or files a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation; or files an answer admitting or fails timely to contest the material allegations of a petition filed against it in any such proceeding; or seeks or consents to or acquiesces in the appointment of any trustee, receiver, or liquidator of Tenant or any material part of its property;

(e) Within 90 days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law or regulation, such proceeding has not been dismissed, or, within 90 days after the appointment without the consent or acquiescence of Tenant, of any trustee, receiver, or liquidator of Tenant or of any material part of its properties, such appointment has not been vacated; or

(f) This Lease or any estate of Tenant hereunder is lawfully levied upon under any attachment or execution and such attachment or execution is not vacated within 10 days.

Section 21. Termination upon Default.

If an Event of Default on the part of Tenant shall occur, Landlord at any time thereafter may give a termination notice to Tenant, and on the date specified in such notice (which shall not be less than twenty (20) business days after the giving of such notice) Tenant's right to possession shall terminate and this Lease shall terminate, unless on or before such date all arrears of rental and all other sums payable by Tenant under this Lease, and all costs and expenses incurred by or on behalf of Landlord hereunder, including attorneys' fees incurred in connection with such defaults, shall have been paid by Tenant and all other breaches of this Lease by Tenant at the time existing shall have been fully remedied to the satisfaction of Landlord. Upon such termination, Landlord may recover from Tenant:

(a) the worth, at the time of award, of the unpaid rental that had been earned at the time of termination;

(b) the worth, at the time of award, of the amount of the unpaid rental that would have been earned after termination until the time of award, to the extent it exceeds the amount of such rental loss that Tenant proves could reasonably have been avoided;

(c) the worth, at the time of award, of the amount of the unpaid rental for the balance of the term of this Lease beginning from the time of award, to the extent it exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and

(d) any other amount necessary to compensate Landlord for all the detriment that is proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amount referred to in clauses (a) and (b) above is computed by allowing interest at the highest rate permitted by law. The worth at the time of award of the amount referred to in clause (c) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%. For the purpose of determining unpaid rental under clause (c) above, the monthly rent reserved in this Lease shall be deemed to be the amounts last payable by Tenant pursuant to Section 3 above for the calendar year in which the award is made.

Section 22. Continuation after Default.

Even though Tenant has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover rental as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

Section 23. Other Relief.

The remedies provided for in this Lease are in addition to any other remedies available to Landlord at law or in equity, by statute, or otherwise.

Section 24. Landlord's Right to Cure Default.

All agreements and provisions to be performed by Tenant under any of the terms of this Lease shall be at its sole cost and expense and without abatement of rental. If Tenant shall fail to pay any sum of money, other than rental, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for 30 days after notice thereof by Landlord, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. All sums so paid by Landlord and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to Landlord on demand, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of rental.

Section 25. Attorneys' fees.

If as a result of any breach or default in the performance of any of the provisions of this Lease, Landlord uses the services of an attorney in order to secure compliance with such provisions or recover damages therefor, or to terminate this Lease or evict Tenant, Tenant shall reimburse Landlord upon demand for any and all attorneys' fees and expenses so incurred by Landlord, provided that if any legal action is brought by any party, the prevailing party shall be entitled to recover the fees of its attorneys in such amount as the court may adjudge reasonable.

Section 26. Subordination.

This Lease, at Landlord's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed on the Premises and to all renewals, modifications, consolidations, replacements, and extensions thereof, provided that Tenant's possession of the Premises shall not be

disturbed so long as it is not in default hereunder. Upon foreclosure of any such mortgage or deed of trust, Tenant shall attorn to any purchaser. Tenant agrees to execute any documents required to effectuate such subordination. Landlord agrees to use reasonable efforts to obtain express non-disturbance agreements from any fee mortgagee.

Section 27. No Merger.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

Section 28. Sale.

In the event the original Landlord hereunder, or any successor owner of the Premises, shall sell or convey the Premises, all liabilities and obligations on the part of the original Landlord, or such successor owner, under this Lease accruing thereafter shall terminate, and thereupon all such liabilities and obligations shall be binding on the new owner. In such event, Tenant agrees to attorn to such new owner.

Section 29. Estoppel Certificate.

At any time and from time to time but on not less than ten (10) business days' prior request by Landlord, Tenant will execute, acknowledge, and deliver to Landlord, promptly upon request, a certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification), (b) the date, if any, to which rental and other sums payable hereunder have been paid, (c) that no notice has been received by Tenant of any default that has not been cured, except as to defaults specified in said certificate, and (d) such other matters as reasonably may be requested by Landlord or any institutional lender. Any such certificate may be relied on by any prospective purchaser, mortgagee, or beneficiary under any deed of trust encumbering the Premises or any part thereof.

Section 30. No Waiver.

The waiver by Landlord or Tenant of any agreement, condition, or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision herein contained, nor shall any custom or practice that may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Tenant or Landlord in strict accordance with said terms. The subsequent acceptance of rental hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant or Landlord of any agreement, condition, or provision of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless

of Landlord's or Tenant's knowledge of such preceding breach at the time of acceptance of such rental.

Section 31. Holding Over

If Tenant, with Landlord's consent, remains in possession of the Premises or any part thereof after the expiration of the Term hereof, such occupancy shall be a tenancy from month to month upon all the provisions of this Lease pertaining to the obligations of Tenant, but all Options, if any, granted under the terms of this Lease shall be deemed terminated and be of no further effect during said month-to-month tenancy. During the holding-over period, Tenant shall pay Landlord a Base Rent in an amount equal to 150% of the Base Rent being paid by Tenant upon expiration of this Lease.

Section 32. Corporate Authority.

If Tenant signs as a corporation, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that (a) Tenant is a duly authorized and existing corporation, (b) Tenant has and is qualified to do business in California, (c) the corporation has full right and authority to enter into this Lease, and (d) each and both of the persons signing on behalf of the corporation are authorized to do so.

Section 33 Late Charge.

Tenant acknowledges that late payment of rent or other amounts due to Landlord hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such cost being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any encumbrance, and notes secured by any encumbrance, covering the Premises. Therefore, if any installment of rent or other amount due from Tenant is not received by Landlord within five (5) business days of delivery to Tenant of written notice that said amount is past due, then Tenant shall pay one and one-half percent per month on rent to Landlord as a late charge. This late charge shall be charged for each calendar month (without proration) in which all or any portion of rent due hereunder is delinquent for more than ten (10) business days from its original due date. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the rights and remedies available to Landlord under this Lease or by law. Such late charge shall be payable in addition to interest accruing under section 3 of this Lease and shall be considered additional rent.

Section 34. Surrender.

Upon termination of the term of this Lease by lapse of time or otherwise, Tenant agrees that it will immediately surrender and deliver up to Landlord physical possession of the Premises, together with all improvements and appurtenances in connection therewith, in good condition, reasonable wear and tear and damage by fire, the elements, and any other cause not directly attributable to the negligence of Tenant excepted. Tenant will repair any damage that may be occasioned to the Premises by its removal of its personal property and trade fixtures.

Section 35. Entire Agreement.

This Lease constitutes the entire agreement between the parties hereto. This Lease shall be binding and inure to the benefit of the parties hereto, their respective successors and assigns.

Section 36. Compliance with Legal Requirements; Landlord's Obligations.

(a) At Tenant's sole cost, Tenant shall promptly comply with all laws, statutes, ordinances, rules, regulations, orders, of municipal, state, and federal authorities now in force or that may later be in force (collectively "Legal Requirements"), including, but not limited to, FCC; OSHA; CalOSHA; all provisions of the American With Disabilities Act (the "ADA"); the requirements of any board of fire underwriters or other similar body now or in the future constituted; the requirements of any federal or state labor board or commission; any direction or occupancy certificate issued by public officers; workers' and unemployment compensation laws; equal employment opportunity laws; and tax withholding laws, insofar as they relate to the condition, use, or occupancy of the Premises or the operation of the Antenna Site; except as regarding (i) structural changes or changes to the electrical, mechanical, or plumbing systems of the Antenna Site, to the extent such changes are not necessitated by Tenant's acts or by improvements made for Tenant; (ii) alterations or improvements to the Antenna Site as a whole or the common areas of the Antenna Site; and (iii) work necessitated by defects in the construction of the Antenna Site. The judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding against Tenant, whether Landlord be a party or not, that Tenant has violated any Legal Requirement in the condition, use, or occupancy of the Premises, shall be conclusive of that fact as between Landlord and Tenant.

(b) In the event that Landlord shall be required to comply with any Legal Requirement as a result of any structural changes, changes to the electrical, mechanical, or plumbing systems of the Antenna Site or the Premises or any alterations or improvements to the Antenna Site as a whole or the common areas of the Antenna Site done solely for the benefit of Tenant, any and all costs of such changes, alterations, and improvements, together with any and all costs associated with Landlord's compliance with Legal Requirements in connection therewith, shall be for the account of Tenant, and Tenant shall within ten (10) days of receipt pay all invoices therefor as additional rent. Landlord represents and warrants that it has received no notice that the Antenna Site fails

to comply in any material respect with the ADA and that it is not presently contemplating any material modifications to the Antenna Site (other than as may be performed in connection with the construction of tenant improvements for tenants in the Antenna Site) to require the Antenna Site to conform to the requirements of the ADA.

(c) The obligations imposed on Tenant by this Section 36 are in addition to, and not in lieu of, the obligations imposed on Tenant by Sections 2 and 5 of this Lease.

(d) Landlord is aware of its obligations under Section 303 of the Communications Act of 1934 (47 USC 303) to maintain the painting and illumination of the tower as prescribed by the Federal Aviation Administration (FAA) or the Federal Communications Commission (FCC). Landlord further acknowledges that is aware that it is subject to forfeitures assessed by the FCC for violations of such rules and requirements. Landlord alone is responsible for compliance with all tower or building marking or lighting requirements of the FCC or FAA. Landlord shall indemnify and hold harmless Tenant from any fines or other liabilities caused by Landlord's failure to comply with such requirements. Further, should Landlord be cited by either the FCC or FAA and then fail to bring the tower into compliance within the time limits prescribed by said agencies, then, Tenant may terminate this Lease immediately upon notice to Landlord.

Section 37. IntraAntenna Site Network Cables.

Notwithstanding any provisions of this Lease to the contrary, Landlord and Tenant agree as follows:

(a) Standard Wiring. Tenant agrees to maintain all telecommunication cabling, wiring, and risers running throughout the Antenna Site to the terminal point located nearest to the Premises or Tenant's telephone panel, as appropriate, so as to allow the Premises to be used as an antenna site.

(b) Wiring Modifications. Tenant agrees to maintain such additional telecommunication cabling, wiring, and risers as may be required to modify the Premises for Tenant's use.

(c) Tenant's Equipment. Tenant shall be responsible for, at Tenant's sole cost, any and all of Tenant's telephones, telecopiers, computers, telephone switching, telephone panels, and related equipment.

(d) Right of Entry. Tenant shall have the right to enter into the Premises to effect its obligations under this Section to maintain telecommunication cabling, wiring, and risers.

(e) Restrictions on Tenant Repairs. Notwithstanding Tenant's other rights under the lease to make alterations to the Premises, Tenant reserves the right to alter or modify

the telecommunication cabling, wiring, and risers located in the Premises or otherwise without Landlord's prior written consent.

(f) Designated Provider. If and to the extent this Section permits Tenant to install, repair and maintain telecommunication cabling, wiring, and risers located in the Premises or in the Antenna Site, Tenant agrees to cause such installation, maintenance, and repairs to be done by an independent contractor approved in writing in advance by Landlord.

(g) Indemnity. If and to the extent this Section permits Tenant to install, repair, and maintain telecommunication cabling, wiring, and risers located in the Premises or in the Antenna Site, or if Tenant otherwise effects the installation, repair, or maintenance of any telecommunication cabling, wiring, and risers located in the Premises or the Antenna Site, Tenant agrees to indemnify, release, defend, and hold Landlord harmless against any and all damages, claims, or other liability resulting from such installation, repair, or maintenance, including, but not limited to, the costs of repair, the costs of handling complaints from other tenants in the Antenna Site, and any damages resulting from the interruption in service to other tenants in the Antenna Site.

(h) Release. Tenant hereby releases Landlord from any and all losses, claims, injuries, damages, or other liability, including, but not limited to, consequential damages, whether to persons or property, no matter how caused, resulting from or in any way in connection with or incidental to the interruption of telecommunications services due to the failure of any telecommunications cabling, wiring, or risers, and Tenant expressly waives any right to claim that such interruption constitutes grounds for a claim of abatement of rent, constructive eviction, or termination of the Lease. Landlord agrees to share responsibility for site failures should Landlord be found responsible for such failures.

(i) Notice. Tenant agrees to provide prompt notice to Landlord of any failure in the telecommunication cabling, wiring, and risers located in the Premises.

Landlord hereby acknowledges that the equipment at the Premises has been previously installed. Landlord acknowledges that the equipment as installed and in existence at the time of the commencement of this Lease complies with these requirements.

Section 38. Indemnification.

(a) Tenant agrees to defend, indemnify, and hold harmless Landlord, its partners, shareholders, employees, officers, directors, and agents; the partners, shareholders, employees, officers, directors, or agents of any of Landlord's partners (collectively, the "Indemnified Parties") from any and all loss, cost, liability, damage, and expense, including, without limitation, penalties, fines, and attorneys' fees and costs, incurred in connection with or arising from any cause whatsoever in, on, or about the Premises, including, without limiting the generality of the foregoing: (i) any default by Tenant in the observance or performance of any of the terms, covenants, or conditions of this Lease on Tenant's part to be observed or performed, (ii) the use or occupancy or manner of use

or occupancy of the Premises by Tenant or any person or entity claiming through or under Tenant, (iii) the condition of the Premises or any occurrence or happening on the Premises from any cause whatsoever, (iv) any violation of Legal Requirements by Tenant or any person or entity claiming through or under Tenant, or by the agents, contractors, employees, subtenants, licensees, invitees, or visitors of Tenant, (v) any damages sustained or incurred by Landlord from any labor dispute or strike on the part of Tenant's employees or directed at Tenant, (vi) any acts, omissions, or negligence of Tenant or any person or entity claiming through or under Tenant, or of the agents, contractors, employees, subtenants, licensees, invitees, or visitors of Tenant or any such person or entity, in, on, or about the Premises or the Antenna Site, related to events occurring or alleged to have occurred during the term of this Lease, including, without limitation, any acts, omissions, or negligence in the making or performing of any alterations, or (vii) any claim arising out the failure or the alleged failure of Tenant or Landlord to provide security to the Premises. Tenant further agrees to defend, indemnify, and hold harmless the Indemnified Parties from and against any and all loss, cost, liability, damage, and expense, including, without limitation, attorneys' fees and costs, incurred in connection with or arising from any claims by any persons by reason of injury to persons or damage to property occasioned by any use, occupancy, condition, occurrence, happening, act, omission, or negligence referred to in the preceding sentence. In the event any action or proceeding is brought against any Indemnified Party for any claim against which Tenant is obligated to indemnify such Indemnified Party under this Lease, Tenant, upon notice from such Indemnified Party, shall defend such action or proceeding at Tenant's sole expense by counsel approved by such Indemnified Party.

Section 39. Time of Essence.

Time is of the essence with respect to the obligations to be performed under this Lease.

Section 40. Security Measures.

Tenant shall provide such security measures as may be necessary to protect Tenant, its agents, customers, licensees, and the property of Tenant, its agents, customers, licensees, and invitees from acts of third parties. Nothing contained in this Lease shall prevent or require Landlord at Landlord's sole option from providing security protection for the Antenna Site or any part of it.

Section 41. Governing Law.

This Lease shall be governed by and construed in accordance with the laws of the State of California. The parties hereto stipulate that any action brought hereunder or in connection herewith shall be brought and be proper in the Superior and Municipal Court of Humboldt County.

IN WITNESS WHEREOF, the parties hereto set their hands and seals the day and year first above written.

LANDLORD:

Redwood Broadcasting Company

By: Pattison J. Christensen
Its: President

TENANT:

**Lost Coast Communications,
Inc.**

By: Patrick Cleary
Its: President

EXHIBIT A

COMMENCEMENT DATE MEMORANDUM

With respect to that certain lease ("Lease") dated as of _____, 2010, between Lost Coast Communications, Inc., dba KXGO ("Tenant"), and Redwood Broadcasting Company, Inc., a California corporation ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord space on a broadcast tower referred to as the "Antenna Site Lease," at the tower located at Landlord's "Barry Ridge Tower Site" ("Premises"), Tenant hereby acknowledges and certifies to Landlord as follows:

(1) Landlord delivered possession of the Premises to Tenant in an acceptable condition on _____, 2007 ("Possession Date");

(2) The Commencement Date is: _____, 2010;

(3) Tenant has accepted and is currently in possession of the Premises and the Premises are acceptable for Tenant's use.

IN WITNESS WHEREOF, this Commencement Date Memorandum is executed as of this ____ day of July, 2007.

"Tenant"

Lost Coast Communications, Inc.
a California corporation

By: Patrick Cleary
Its: President

"Landlord"

Redwood Broadcasting Company,
Inc.,
a California corporation

By: Pattison J. Christensen
Its: President

**EXHIBIT B
BARRY RIDGE TOWER SITE
LEGAL DESCRIPTION**

PARCEL ONE

Being a portion of the South Half of Section 17, Township 4 North, Range 2 East, Humboldt Base and Meridian, and beginning at a ½ inch iron pipe monument on the Northerly fenced line of the county road on Barry Ridge, said iron pipe monument being located 1459.4 feet North and 1519.0 feet West of the corner common to Sections 16, 17, 20 and 21 of said township, said iron pipe being further described as bearing South 39 degrees 25 minutes East 136.9 feet from a U.S. C and G.S. monument stamped “Kneeland No. 1, etc”

thence along the Northerly fenced line of said county road South 89 degrees 32 minutes East 94.1 feet to a ½-inch iron pipe monument;

thence South 75 degrees 52 minutes East 148.2 feet to a ½-inch iron pipe monument;

thence South 64 degrees 01 minute East 177.3 feet to a ½-inch iron pipe monument;

thence South 54 degrees 36 minutes East 85.9 feet to a ½-inch iron pipe monument;

thence 50 degrees 39 minutes East 144.1 feet to a ½-inch iron pipe monument;

thence leaving said Northerly fenced line of said county road North 5 degrees 32 minutes East 661.4 feet;

thence Northwesterly to a ½-inch iron pipe monument which bears North 5 degrees 32 minutes East from the point of beginning;

thence South 5 degrees 32 minutes West 661.4 feet to the point of beginning.

PARCEL TWO

An exclusive easement appurtenant to Parcel Two for the purposes of constructing, operating and maintaining septic tank effluent disposal and leaching facilities over the following described Parcels A, B, and C.

PARCEL “A”

BEGINNING at the Southeast corner of Parcel 2 as conveyed by Kneeland Properties LTD, a limited partnership, to John Sloan, et al, by deed recorded October 19, 1977, in Book 1447, page 295 of Official Records, in the office of the Humboldt County Recorder, said point being on the Northerly line of that certain parcel conveyed to

California Northwest Broadcasting Company, a California corporation, by deed recorded February 10, 1963, in Book 725, page 469 of Official Records, in the office of the Humboldt County Recorder, and bearing North 66 degrees 41 minutes 19 seconds West along said Northerly line, a distance of 324.97 feet from the Northeast corner thereof;

- 1) thence North 20 degrees 59 minutes 51 seconds East along the East line of said above mentioned Parcel 2, a distance of 300.00 feet;
- 2) thence North 69 degrees 00 minutes 09 seconds West, at right angles to the course in 1) above, a distance of 10.00 feet;
- 3) thence South 20 degrees 59 minutes 51 seconds West, parallel to the course in 1) above, a distance of 299.60 feet to the Northerly line of said California Northwest Broadcasting Company land;
- 4) thence South 66 degrees 41 minutes 19 seconds East along said Northerly line, a distance of 10.01 feet to the point of beginning.

PARCEL "B"

BEGINNING on the East line of Parcel "A" described above, at a point distant thereon 14.47 feet Southerly of the Northeast corner thereof;

- 1) thence North 64 degrees, 15 minutes 00 seconds East, a distance of 220.40 feet;
- 2) thence South 25 degrees 45 minutes 00 seconds East, a distance of 10.00 feet;
- 3) thence South 64 degrees 15 minutes 00 seconds West, a distance of 231.03 feet to a point on the East line of said Parcel "A" described above;
- 4) thence North 20 degrees 59 minutes 51 seconds East, along said East line, a distance of 14.59 feet, to the point of beginning.

PARCEL "C"

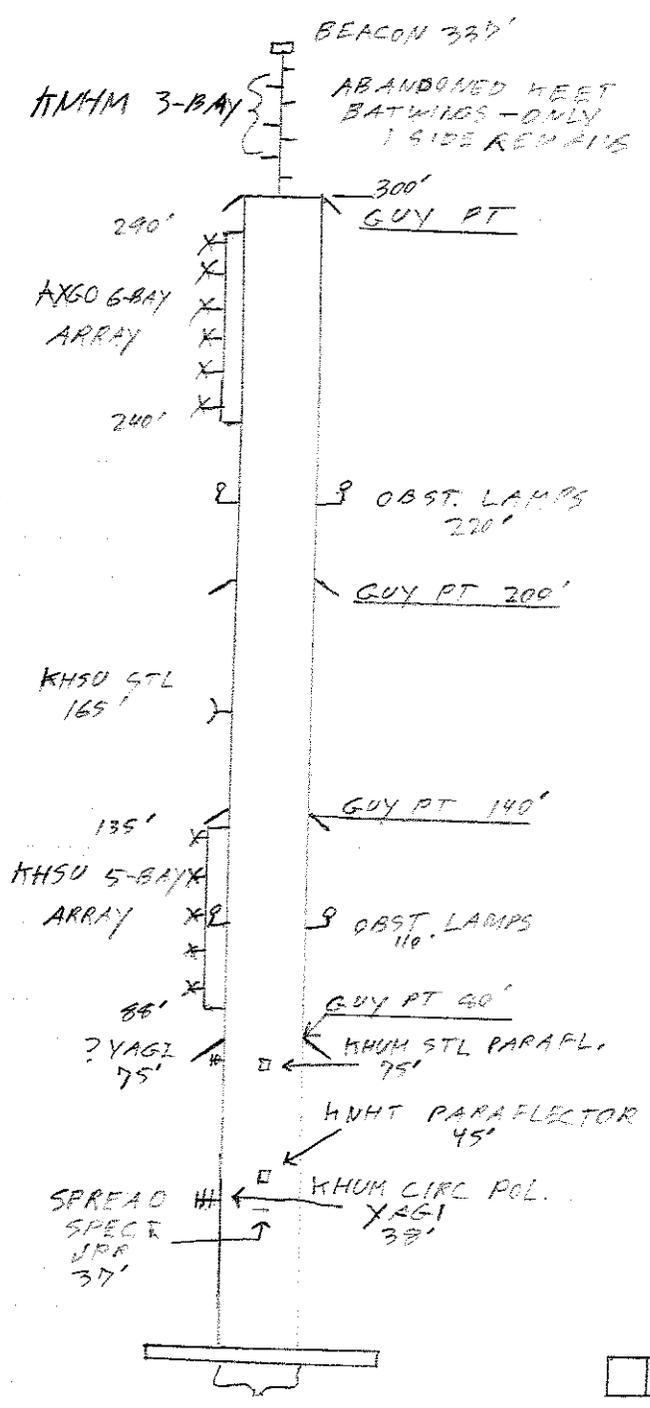
BEGINNING at the Northeasterly corner of Parcel "B" described above;

- I. thence North 25 degrees 45 minutes 00 seconds West, a distance of 162.18 feet;
- II. thence south 80 degrees 00 minutes 00 seconds East, a distance of 197.15 feet;
- III. thence south 25 degrees 45 minutes 00 seconds East, a distance of 157.00 feet;
- IV. thence south 64 degrees 15 minutes 00 seconds West, a distance of 160.00 feet, to a point that bears South 25 degrees 45 minutes 00 seconds East from the point of beginning;
- V. thence North 25 degrees, 45 minutes 00 seconds West, a distance of 110.00 feet, to the point of beginning.

EXHIBIT C
DESCRIPTION OF INSTALLED EQUIPMENT

KXGO Inventory
Kneeland Facility

Back-up transmit Scala yagi antenna
Back-up transmitter, unknown brand
48 volt power supply for above
Continental 802A exciter
Equipment rack
Myat gas barriers x2
Feedline air compressor
SineSystems controller RFC-1/B
Relay Panel RP-8
Home designed and built latching relay box for above
CSI Driver transmitter T-3-F1
CSI Transmitter T-25-F
6-bay antenna system with hardware
UPS Unit, office size
Bird 3170A "Wattcher" wattmeter
Bird "ThruLine" line section for above
Electro Impulse Model DPTO-25KFN dummy load
Myat switch panel for dummy load
Mosely PCL-606 STL receiver
Used 3cx3000A7 driver tube
Myat solid 3" feedline from XT to tower, approx 125'
Flexible 3" feedline from tower base to antenna array, approx 280'



WIDTH NOT
TO SCALE

KXGO TOWER
AS VIEWED
FROM SW

ANTENNA SITE SUB-LICENSE

Sub-license Summary

Recitals

- Section 1. Sub-license of Premises
- Section 2. Use
- Section 3. Term
- Section 4. Rent
- Section 5. KXGO's Covenants
- Section 6. KXGO's Tenant's Representations and Warranties
- Section 7. Insurance
- Section 8. Taxes and Utilities
- Section 9. Permits and Licenses
- Section 10. No Waste
- Section 11. Notices
- Section 12. Peaceable Possession
- Section 13. Conduct of Business
- Section 14. Alterations
- Section 15. No Liens
- Section 16. Repairs
- Section 17. Destruction and Damage
- Section 18. Assignment and Subletting
- Section 19. Events of Default
- Section 20. Termination upon Default
- Section 21. Continuation after Default
- Section 22. Other Relief
- Section 23. RBC's Right to Cure Default
- Section 24. Attorney Fees
- Section 25. Subordination
- Section 26. No Merger
- Section 27. Sale
- Section 28. Estoppel Certificate
- Section 29. No Waiver
- Section 30. Holding Over
- Section 31. Authority to Act
- Section 32. Late Charge
- Section 33. Limitation of Liability
- Section 34. Surrender
- Section 35. Entire Agreement
- Section 36. Compliance with Legal Requirements; RBC's Obligations
- Section 37. IntraAntenna Site Network Cables
- Section 38. Indemnification
- Section 39. Time of Essence
- Section 40. Security Measures
- Section 41. Governing Law
- Exhibit A Legal Description
- Exhibit B Description of Equipment

THIS ANTENNA SITE SUB-LICENSE (“Sub-license”), is made and entered into this ____ day of _____, 2010, by and between Redwood Broadcasting Company, a California corporation, (“RBC”), and Lost Coast Communications, Inc., a California corporation, licensee of Station KXGO(FM) (“KXGO”).

Recitals

A. RBC is a Licensee of that certain real property known as “Bunker Hill Tower Site,” and more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (the “Antenna Site”).

B. RBC desires to Sub-license to KXGO and KXGO desires to Sub-license from RBC a portion of the Antenna Site as more particularly shown on **Exhibit B** attached hereto and incorporated herein (the “Premises”), consisting of a portion of the premises of the Antenna Site for the location of one (1) antenna system and use of the existing backup generator.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, RBC and KXGO hereby agree as follows:

Section 1. Sub-license of Premises.

RBC sub-licenses to KXGO and KXGO sub-licenses from RBC the Premises for the term and upon the covenants, agreements, and conditions set forth herein.

Section 2. Use.

(a) The Premises shall be used by KXGO solely as an antenna site and translator location for one (1) translator and any other purpose or purposes incidental thereto, for KXGO, subject to RBC’s express written consent as to the nature, scope and power requirements for the placement of any personal property or trade fixtures necessary for such purposes in or on the Premises. KXGO shall not use, or permit the Premises or any part thereof to be used, for any purpose other than the purpose for which the Premises are hereby Sub-licensed. No use shall be made or permitted to be made of the Premises by KXGO, nor acts done in, on, or about the Premises by KXGO, that will increase the existing rate of insurance on the Antenna Site, or cause a cancellation of any insurance policy covering the Antenna Site, or any part thereof. KXGO shall not commit, or suffer to be committed, any waste on the Premises, or any public or private nuisance, or other act or thing that may injure, annoy, or disturb the quiet enjoyment of any occupant of neighboring properties or other KXGO in the Antenna Site; nor, without limiting the generality of the foregoing, shall KXGO allow the Premises to be used for any improper, unlawful, or objectionable purpose. KXGO shall not place any harmful liquids in the drainage

system of the Premises or of the Antenna Site. KXGO shall not place on the Premises any loads that might endanger the structure, nor overload any electrical, mechanical, or other systems.

(b) No waste materials or refuse shall be dumped on or permitted to remain on any part of the Premises outside the Antenna Site. No materials or articles of any nature shall be stored on or permitted to remain outside of the Antenna Site.

(c) KXGO shall not store, use, or dispose of any Hazardous Materials (as hereinafter defined) on or about the Premises; provided, however, that KXGO shall have the right to use reasonable amounts of chemicals and/or solvents used for an antenna site without notifying RBC. KXGO shall be solely responsible for and shall defend, indemnify, and hold RBC, and RBC's partners, officers, employees, successors, assigns, and agents, harmless from and against all claims, demands, damages, costs, and liabilities, including attorney fees and costs, arising out of or in connection with the use or disposal of Hazardous Materials by KXGO, its agents, employees, contractors, or sublicensees. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste, the storage, use, or disposition of which is or becomes regulated by any local governmental authority, the State of California, or the U.S. Government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under sections 25115, 25117 or 25122.7, or listed pursuant to section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous" under section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance" or "hazardous waste" under section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) designated as a "hazardous substance" pursuant to 33 USCA section 1321, section 311 of the Federal Water Pollution Control Act, (viii) defined as a "hazardous waste" pursuant to 42 USCA section 6903, Section 1004 of the Federal Resource Conservation and Recovery Act, (ix) defined as a "hazardous substance" pursuant to 42 USCA section 9601, section 101 of the CERCLA, or (x) listed or defined as "hazardous waste," a "hazardous substance," or other similar designation by any regulatory scheme of California or the U.S. Government.

(e) If any cleanup, remedial removal, or restoration work is required by any federal, state or local governmental agency or political subdivision ("Governmental Agency") because of the presence of Hazardous Materials on or about the Premises, the Antenna Site or surrounding properties caused or permitted by KXGO, its agents, employees, contractors, or sublicensees, then KXGO shall, at its sole cost, promptly take any and all action necessary to perform such cleanup, remedial removal, or restoration. KXGO shall be solely responsible for, and shall defend, indemnify, and hold RBC and RBC's partners, officers, employees, successors, assigns, and agents harmless from and against all claims, demands, damages, costs, and liabilities,

including attorney fees and costs, arising out of or in connection with any such removal, cleanup, or restoration work (including the cost of all materials).

(f) If RBC has good cause to believe that the Premises or the Antenna Site have or may have become contaminated by Hazardous Materials and that such contamination was caused or permitted by KXGO or its agent, employee, contractor, or sublicensee, RBC may cause tests to be performed, including tests of the air, soil, and ground water, to detect the presence of Hazardous Materials. KXGO shall pay the costs of such tests if KXGO is determined by a court or responsible governmental agency to be responsible for part or all for the pollution, and then only in proportion to its responsibility for the pollution.

(g) The termination of the Sub-license shall not terminate the parties' respective rights and obligations under this Section 2, and the parties hereto expressly agree that the provisions contained herein shall survive the termination of KXGO's Sub-license.

(h) The obligations imposed on KXGO pursuant to this Section 2 are in addition to, and not in lieu of, the obligations imposed on KXGO pursuant to Sections 5 and 37 of this Sub-license.

(i) The provisions of this Section 2 are for the benefit of RBC only and shall not be construed to be for the benefit of any other person or occupant of the Premises.

Section 3. Term.

(a) The Premises are hereby Sub-licensed to KXGO for a term (the "Term"), commencing on _____, 2010 (the "Commencement Date") and continuing on a month-to-month basis until terminated in accordance with the terms of this Sub-license. Within ten (10) business days after written request from RBC, KXGO will execute and return to RBC an acknowledgment of the Commencement Date. Any delay in the Commencement Date shall not constitute a default hereunder by RBC nor shall it cause this Sub-license to become void, voidable, or terminable, nor shall RBC be liable to KXGO for any loss or damage resulting therefrom, but such delay shall serve to extend the Term day for day for the period of such delay.

(b) Either party hereto may, upon thirty (30) days notice, terminate this Sub-license by sending written notice of termination to the other party.

Section 4. Rent.

(a) In consideration hereof, KXGO agrees to pay to MBC, commencing with the first day of the Term, rent for the Premises in the amount of Four Hundred Dollars (\$400.00) per month ("Rent").

(b) In addition to the rent above required, Landlord shall, after the first year have the right to adjust rent based upon the percentage of increase or decrease (not to exceed six percent, (6%)) that the Consumer Price Index (CPI) changes from the CPI for the first year. For purposes of this paragraph, the published CPI for _____, 2010, shall be the base (“Beginning Index”) and the adjusted rent for each subsequent year of the primary term of the Lease shall be based upon the change of the CPI of _____ of each subsequent year (“Subsequent Index”). The cost of living adjustment shall be based upon changes in the Consumer Price Index and shall be determined in the following manner:

The adjustment shall be based upon the Consumer Price Index for San Francisco Bay Area-All Commodities Consumer Price Index, published by the United States Department of Labor, Bureau of Labor Statistics (the “Index”). The adjusted rental for a particular period shall be determined by multiplying the Initial Rental Rate by a fraction, the numerator of which is the Subsequent Index and the denominator of which is the Beginning Index. If the Index is changed so that the base year differs from that in effect for the Beginning Index, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. Notwithstanding any change in the Index, however, in no event shall the rental, adjusted for cost of living as herein provided, be reduced to an amount less than the Initial Rental Rate.

(c) Rent shall be paid to RBC on or before the Commencement Date and on or before the first day of each successive calendar month thereafter during the Term, except that Rent for the first full calendar month shall be paid concurrently with the execution of this Sub-license by KXGO. In the event the Term commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the Rent for the first and last fractional months of the Term shall be prorated appropriately.

(d) All charges and other amounts of any kind payable by KXGO to RBC pursuant to this Sub-license shall be deemed additional rent. RBC shall have the same remedies for default in the payment of additional rent as for default in the payment of Rent. Rent and additional rent are collectively referred to herein as “Rent.”

(e) All Rent shall be paid to RBC, without deduction or offset, in lawful money of the United States of America at RBC's address for notices hereunder or to such other person or at such other place as RBC may from time to time designate in writing. All Rent payable by KXGO to RBC hereunder, if not received by RBC when due, shall bear interest from the due date until paid at the rate of eighteen percent (18%) per annum, but in no event shall such interest exceed the maximum rate permitted by law (“Default Rate”). RBC's acceptance of any interest payments

shall not constitute a waiver of KXGO's default with respect to the overdue amount or prevent RBC from exercising any of the rights and remedies available to RBC under this Sub-license or by law.

(f) In the event of a Chronic Delinquency (as hereinafter defined), at RBC's sole option, RBC shall have the right, in addition to all other remedies under this Sub-license and at law, to require that Rent be paid by KXGO quarterly, in advance. This provision shall not limit in any way nor be construed as a waiver of the rights and remedies of RBC provided herein or by law in the event of delinquency. "Chronic Delinquency" shall mean failure by KXGO to pay Rent, or any other payments required to be paid by KXGO under this Sub-license as and when due for any three (3) months (consecutive or nonconsecutive) during any twelve (12)-month period.

Section 5. KXGO's Covenants.

KXGO covenants as follows:

(a) KXGO shall operate in the Premises an antenna site for one (1) translator (the "Translator");

(b) KXGO shall have complete and total responsibility for all aspects of the daily operation, maintenance, and repair of the Translator in compliance with all applicable laws and regulations. KXGO agrees it shall operate and maintain its equipment and facilities in accordance with the highest prevailing engineering standards in the communications industry and in all applicable respects with all fire, safety and construction standards and regulations, in a manner satisfactory to RBC. KXGO agrees it will at all times comply with the statutes, regulations, ordinances and orders of any governmental authority which are or may become applicable to the operation and maintenance of KXGO's equipment and facilities, and agrees that its failure to do so, without abatement of the condition causing noncompliance, shall constitute an event of default herein;

(c) In the event that the engineering, operation or maintenance of KXGO's equipment or facilities causes any interference, hindrance or obstruction of the use or operation of radio, television, electronic, test or diagnostic equipment owned or operated by RBC, or any other KXGO or neighbor of RBC at the Premises, KXGO shall at its sole cost and expense, forthwith cause the cessation of such interference, hindrance or obstruction. If after notice from RBC to KXGO to cease such interference, hindrance or obstruction, KXGO shall continue its operations without the required abatement for more than thirty (30) days, then RBC may, at its sole option, terminate this Sub-license. Landlord agrees that in the event another tenant of Landlord's causes any interference, hindrance or obstruction of interference to the use or operation of radio, television, electronic, test or diagnostic equipment owned or operated by KXGO, Landlord shall require to tenant to cease such interference, hindrance or obstruction;

(d) In the performance of maintenance of its equipment and facilities, KXGO shall employ only those employees and retain such contractors as are properly trained therefor in compliance with California State Code of Regulations, Title 8, Chapter 4, section 3203, and that in all such conduct its employees and contractors shall comply with the regulations and orders applicable to such work pursuant to Cal/OSHA regarding illness and injury prevention. KXGO agrees that employees or contractors in its hire shall not be on the Premises in an intoxicated or otherwise impaired state due to the use of any drugs or alcohol, and that an incident of the breach hereof is grounds for immediate termination of this Sub-license by RBC. If KXGO receives an abatement order from any governmental agency having authority therefor and does not comply within the time limit specified, then RBC, upon receiving notice thereof, may correct such conditions and bill KXGO for all costs incurred; and,

(e) In the hiring of contractors to perform any services for KXGO at the Premises, KXGO shall assure that all such parties are adequately insured so as to protect MBC from any liability for claims due to personal injury, death or property damage of any kind resulting from their activities on the Premises; further that if KXGO's contractors are unable to perform this indemnity, that KXGO shall defend and indemnify RBC of all losses, costs and damages resulting therefrom, including all defense costs and attorneys' fees.

Section 6. KXGO's Representations And Warranties.

KXGO represents and warrants as follows:

(a) All information, financial and otherwise, related to the qualifications, experience, and ability of KXGO provided to RBC prior to or concurrent with the execution of this Sub-license by KXGO was true and correct when provided to RBC and remains true and correct as of the date of this Sub-license; and

(b) KXGO is experienced in the operation of first-class translator facilities and is competent to operate such Translators.

Section 7. Insurance.

(a) KXGO shall procure at its expense and keep in force during the term of this Sub-License, the following insurance coverage:

(i) Commercial General Liability Insurance Policy covering Property Damage and Bodily Injury claims, including contractual liability and completed operations, with a combined single limit of at least Two Million Dollars (\$2,000,000.00);

(ii) Automobile liability (including owned and non-owned automobiles) and Property Damage with a combined single limit of at least One Million Dollars (\$1,000,000.00).

All such insurance shall be on an occurrence basis and shall be placed with a company or companies reasonably satisfactory to RBC. Certificates of such insurance shall be provided to RBC prior to the Commencement Date. No policy shall provide for a deductible per claim in excess of One Thousand Dollars (\$1,000.00). Such insurance policy shall be endorsed to provide for thirty (30) days' written notice to RBC prior to termination of coverage and/or before any changes that restrict or reduce the coverage provided for or change the name of the insured are made. KXGO also shall provide Workers' Compensation coverage covering employees as required by law. RBC and any parties in interest specified by RBC and Licensor Joseph Russ, IV, shall be named as additional insureds on all such policies.

(b) KXGO and RBC each hereby release and relieve the other, and hereby waive their entire right of recovery against the other, for loss or damage arising out of or incident to the perils covered by fire and extended coverage insurance or special-form all-risk insurance in force at the time of such loss or damage, which perils occur in, on, or about the Premises or the Antenna Site, whether due to the negligence of RBC or KXGO or their agents, employees, contractors, and/or invitees. KXGO and RBC shall, upon obtaining the policies of insurance required, give notice to the insurance carrier or carriers that the foregoing waiver of subrogation is contained in this Sub-license.

Section 8. Taxes and Utilities.

RBC agrees to pay any and all real estate taxes and assessments levied upon or assessed against the Premises as the same become due. KXGO agrees to pay its share of electrical, water, telephone, gas, and other utility services used on the Premises, and all personal property taxes and assessments levied upon or assessed against the Translator as the same become due.

Section 9. Permits and Licenses.

KXGO agrees to procure any and all permits or licenses necessary for the operation of the Translator (as set forth in Section 5 above), and RBC agrees to assist KXGO in obtaining such permits or licenses if such assistance is necessary.

Section 10. No Waste.

KXGO covenants and agrees that it will not commit or suffer any waste in the Premises.

Section 11. Notices.

Any notices or communications required to be given to or by or served on the respective parties hereto may be so given or served by personal delivery or by mailing the same, properly addressed and stamped, to such party or parties by United States registered or certified mail. Notice shall be effective upon delivery if given by personal delivery or four (4) days after mailing if given by registered or certified mail. Until new addresses are given, the addresses of

the respective parties for the purpose of such notices or communications and for another purpose shall be:

RBC: Redwood Broadcasting Company
Attention: Pattison Christensen
603 F Street
Eureka, California 95501

KXGO: Lost Coast Communications, Inc.
Attention: Patrick Cleary
1400 Main Street
Ferndale, California 95536

Section 12. Peaceable Possession.

RBC hereby warrants and represents that it has the authority to Sub-license the Premises and to execute this Sub-license and that the laws and/or ordinances affecting the use of this property do not prohibit the uses herein provided. RBC further covenants and agrees that KXGO, upon performing and quietly observing the terms and conditions of this Sub-license, may peacefully hold and enjoy the Premises during said term without any interruption by RBC, its successors or assigns, or any person or company lawfully claiming by or through it.

Section 13. Conduct of Business.

KXGO acknowledges that the operation of fully compliant, high-quality Translators at the Premises is of utmost importance to the proper operation of RBC's Antenna Site. Moreover, Landlord hereby acknowledges that the equipment at the Premises has been previously installed. Accordingly, KXGO agrees to maintain the Premises in a compliant and conforming condition and shall conduct its operations in a compliant and conforming manner and so as not to annoy, disturb, or interfere with the translators of other sublicensees in the Antenna Site. It is expressly understood and agreed that KXGO's equipment will be installed and maintained so as not to interfere in any manner whatsoever with the equipment of RBC, or any other sublicensee of RBC operating and maintaining its equipment on the Premises, and so as to meet all applicable FCC regulations and conditions of its license. Landlord acknowledges that the equipment as installed and in existence at the time of the commencement of this Lease complies with these requirements. The installation of any new equipment owned by KXGO shall be performed by KXGO by means which will not weaken or damage the property of Landlord.

Section 14. Alterations.

KXGO will not make or suffer to be made any alterations, additions, or improvements to the Premises or any part thereof, or attach any fixtures or equipment thereto, without first obtaining RBC's written consent, which consent shall not be unreasonably withheld. All

approved alterations, or improvements to the Premises, including, without limitation, all fixtures of any kind, shall belong to KXGO. Upon the expiration or sooner termination of the Term and provided that KXGO is not then in default hereunder, KXGO may remove its trade fixtures and other personal property, provided that KXGO promptly shall repair, at its sole cost and expense, any damage to the Premises caused by such removal. Notwithstanding any other provisions contained in this Sub-license, KXGO agrees that upon RBC's written request made within thirty (30) days following the expiration or termination of this Sub-license, at its sole cost and expense, it shall remove promptly any alterations, improvements, fixtures, and/or personal property designated by RBC to be removed and repair any damage to the Premises resulting from such removal.

Section 15. No Liens.

KXGO shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by KXGO. RBC shall have the right to post and keep posted on the Premises any notices that may be provided by law or that RBC may deem to be proper for the protection of RBC and the Premises from such liens.

Section 16. Repairs.

By entry hereunder KXGO accepts the Premises as being in the condition in which RBC is obligated to deliver the Premises. At all times during the Term and at KXGO's sole cost and expense, KXGO shall keep the Premises and every part thereof in good condition and repair, ordinary wear and tear, damage thereto by fire, earthquake, act of God, or the elements excepted. KXGO hereby waives all rights to make repairs at the expense of RBC or in lieu thereof to vacate the Premises as provided by California Civil Code section 1942 or any other law, statute, or ordinance now or hereafter in effect. Subject to the provisions of Section 14 above concerning the removal of alterations, and improvements, at the end of the Term, KXGO shall surrender to RBC the Premises and all alterations, and improvements thereto in the same condition as when received or when first installed, ordinary wear and tear and damage by fire, earthquake, act of God, or the elements excepted. After KXGO takes possession of the Premises, RBC has no obligation and has made no promise to alter, remodel, improve, or repair the Premises or any part thereof. No representations respecting the condition of the Premises have been made by RBC to KXGO, except as may be specifically herein set forth.

Section 17. Destruction and Damage.

(a) In the event the Premises are damaged by fire, act of God, the elements, or other casualty covered by RBC's insurance, RBC forthwith shall repair the same, subject to the provisions of this Section hereinafter set forth, if such repairs can, in RBC's opinion, be made within 90 days after such casualty, and this Sub-license shall remain in full force and effect except that, if such damage is not the result of the negligence or willful misconduct of KXGO or KXGO's employees, an abatement of rental shall be allowed KXGO for such part of the

Premises as shall be rendered unusable by KXGO in the conduct of its business during the time such part is so unusable.

(b) If such repairs cannot, in RBC's opinion, be made within 90 days of such casualty, RBC may elect, upon notice to KXGO within 30 days after the date of such fire or other casualty, to repair or restore such damage, in which event this Sub-license shall continue in full force and effect, but rental shall be partially abated as provided in this Section above. If RBC does not so elect to make such repairs, this Sub-license shall terminate as of the date of such fire or other casualty.

(c) A total destruction of the Antenna Site in which the Premises are located automatically shall terminate this Sub-license. KXGO waives California Civil Code sections 1932 and 1933 insofar as they provide for termination of hiring upon destruction of the thing hired.

Section 18. Assignment and Sublicensing.

(a) Without the prior written consent of RBC, which consent shall not be unreasonably withheld, KXGO shall not assign or hypothecate this Sub-license or any interest herein or sublicense the Premises or any part thereof, or permit the use of the Premises by any party other than KXGO. If KXGO is a corporation or a partnership, the transfer of more than fifty percent (50%) of the beneficial ownership interest of the corporate stock or in the partnership of KXGO, as the case may be, shall constitute a prohibited assignment hereunder. Any of the foregoing acts without such consent shall be void, and, at the option of RBC, shall terminate this Sub-license. No consent by RBC shall release KXGO from any of KXGO's obligations hereunder or be deemed to be a consent to any subsequent or further assignment, hypothecation, sublicensing, or third-party use. This Sub-license shall not be assigned, nor shall any interest herein be assignable, as to the interest of KXGO by operation of law without the written consent of RBC.

Notwithstanding the forgoing, KXGO may assign this Sub-license without RBC's consent, to any corporation that controls, is controlled by, or is under common control with KXGO, or to any corporation resulting from merger or consolidation with KXGO, or to any person or entity that acquires all the assets as a going concern of the KXGO's business that is being conducted on the Premises.

(b) Any permitted assignment shall release KXGO of KXGO's obligation or alter the primary liability of KXGO to pay the rental and to perform all other obligations to be performed by KXGO hereunder. The acceptance of rental by RBC from any other person shall not itself be deemed to be a waiver by RBC of any provision hereof.

(c) In the event KXGO shall assign or sublicense the Premises or require the consent of RBC to any assignment or sublicensing, or if KXGO shall require the consent of RBC for any act

that KXGO proposes to do, then KXGO shall pay RBC's reasonable attorneys' fees incurred in connection therewith.

Section 19. Events of Default.

The occurrence of any one or more of the following events ("Events of Default") shall constitute a breach of this Sub-license by KXGO:

- (a) KXGO fails to pay any rental due hereunder when it becomes payable;
- (b) KXGO fails to pay any other sum due hereunder and such failure continues for 10 days after notice thereof from RBC;
- (c) KXGO fails to perform or observe any other term hereof to be performed or observed by KXGO, such failure continues for more than 30 days after notice thereof from RBC, and KXGO does not within such period commence with due diligence and dispatch the curing of such default, or, having so commenced, thereafter fails or neglects to prosecute or complete with due diligence the curing of such default;
- (d) KXGO makes a general assignment for the benefit of creditors; or admits in writing its inability to pay its debts as they become due or files a petition in bankruptcy, or is adjudicated as bankrupt or insolvent or files a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation; or files an answer admitting or fails timely to contest the material allegations of a petition filed against it in any such proceeding; or seeks or consents to or acquiesces in the appointment of any trustee, receiver, or liquidator of KXGO or any material part of its property;
- (e) Within 90 days after the commencement of any proceeding against KXGO seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law or regulation, such proceeding has not been dismissed, or, within 90 days after the appointment without the consent or acquiescence of KXGO, of any trustee, receiver, or liquidator of KXGO or of any material part of its properties, such appointment has not been vacated; or
- (f) This Sub-license or any estate of KXGO hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within 10 days.

Section 20. Termination upon Default.

If an Event of Default shall occur, RBC at any time thereafter may give a termination notice to KXGO, and on the date specified in such notice (which shall not be less than twenty (20) days after the giving of such notice) KXGO's right to possession shall terminate and this Sub-license shall terminate, unless on or before such date all arrears of rental and all other sums

payable by KXGO under this Sub-license, and all costs and expenses incurred by or on behalf of RBC hereunder, including attorney fees incurred in connection with such defaults, shall have been paid by KXGO and all other breaches of this Sub-license by KXGO at the time existing shall have been fully remedied to the satisfaction of RBC. Upon such termination, RBC may recover from KXGO:

(a) the worth, at the time of award, of the unpaid rental that had been earned at the time of termination.

The “worth at the time of award” of the amount referred to in clauses (a) is computed by allowing interest at the highest rate permitted by law.

Section 21. Continuation after Default.

Even though KXGO has breached this Sub-license and abandoned the Premises, this Sub-license shall continue in effect for so long as RBC does not terminate KXGO's right to possession, and RBC may enforce all its rights and remedies under this Sub-license, including the right to recover rental as it becomes due under this Sub-license. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of RBC to protect RBC's interest under this Sub-license shall not constitute a termination of KXGO's right to possession.

Section 22. Other Relief.

The remedies provided for in this Sub-license are in addition to any other remedies available to RBC at law or in equity, by statute, or otherwise.

Section 23. RBC's Right to Cure Default.

All agreements and provisions to be performed by KXGO under any of the terms of this Sub-license shall be at its sole cost and expense and without abatement of rental. If KXGO shall fail to pay any sum of money, other than rental, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for 30 days after notice thereof by RBC, provided the sum demanded or due is not under dispute, RBC may, but shall not be obligated so to do, and without waiving or releasing KXGO from any obligations of KXGO, make any such payment or perform any such other act on KXGO's part to be made or performed as provided in this Sub-license. All sums so paid by RBC and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to RBC on demand, and RBC shall have (in addition to any other right or remedy of RBC) the same rights and remedies in the event of the nonpayment thereof by KXGO as in the case of default by KXGO in the payment of rental.

Section 24. Attorneys' Fees.

If as a result of any breach or default in the performance of any of the provisions of this Sub-license, RBC uses the services of an attorney in order to secure compliance with such provisions or recover damages therefor, or to terminate this Sub-license or evict KXGO, KXGO shall reimburse RBC upon demand for any and all attorneys' fees and expenses so incurred by RBC, provided that if any legal action is brought by any party, the prevailing party shall be entitled to recover the fees of its attorneys in such amount as the court may adjudge reasonable.

Section 25. Subordination.

This Sub-license, at RBC's option, shall be subordinate to any ground Sub-license, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed on the Premises and to all renewals, modifications, consolidations, replacements, and extensions thereof, provided that KXGO's possession of the Premises shall not be disturbed so long as it is not in default hereunder. Upon foreclosure of any such mortgage or deed of trust, KXGO shall attorn to any purchaser. KXGO agrees to execute any documents required to effectuate such subordination. RBC agrees to use reasonable efforts to obtain express non-disturbance agreements from any fee mortgagee.

Section 26. No Merger.

The voluntary or other surrender of this Sub-license by KXGO, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of RBC, terminate all or any existing subsub-licenses or subtenancies, or may, at the option of RBC, operate as an assignment to it of any or all such subsub-licenses or subtenancies.

Section 27. Sale.

In the event the Sub-licensor hereunder, or any successor owner of the Sublicense, shall sell or convey the Sublicense, all liabilities and obligations on the part of the original Sub-licensor, or such successor owner, under this Sub-license accruing thereafter shall terminate, and thereupon all such liabilities and obligations shall be binding on the new Sub-licensor; in such event, KXGO agrees to attorn to such new Sub-licensor.

Section 28. Estoppel Certificate.

At any time and from time to time but on not less than ten (10) days' prior request by RBC, KXGO will execute, acknowledge, and deliver to RBC, promptly upon request, a certificate certifying (a) that this Sub-license is unmodified and in full force and effect (or, if there have been modifications, that this Sub-license is in full force and effect, as modified, and stating the date and nature of each modification), (b) the date, if any, to which rental and other sums payable hereunder have been paid, (c) that no notice has been received by KXGO of any

default that has not been cured, except as to defaults specified in said certificate, and (d) such other matters as reasonably may be requested by RBC or any institutional lender. Any such certificate may be relied on by any prospective purchaser, mortgagee, or beneficiary under any deed of trust encumbering the Premises or any part thereof.

Section 29. No Waiver.

The waiver by RBC or KXGO of any agreement, condition, or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision herein contained, nor shall any custom or practice that may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of RBC or KXGO to insist upon the performance by KXGO or RBC in strict accordance with said terms. The subsequent acceptance of rental hereunder by RBC shall not be deemed to be a waiver of any preceding breach by KXGO or RBC of any agreement, condition, or provision of this Sub-license, other than the failure of KXGO to pay the particular rental so accepted, regardless of RBC's or KXGO's knowledge of such preceding breach at the time of acceptance of such rental.

Section 30. Holding Over.

If KXGO, with RBC's consent, remains in possession of the Premises or any part thereof after the expiration of the Term hereof, such occupancy shall be a tenancy from month to month upon all the provisions of this Sub-license pertaining to the obligations of KXGO, but all Options, if any, granted under the terms of this Sub-license shall be deemed terminated and be of no further effect during said month-to-month tenancy. During the holding-over period, KXGO shall pay RBC a Base Rent in an amount equal to 150% of the Base Rent being paid by KXGO upon expiration of this Sub-license.

Section 31. Authority to Act.

Each of the persons executing this Sub-license on behalf of KXGO does hereby covenant and warrant that (a) Lost Coast Communications, Inc., dba KXGO, is a duly authorized and existing entity of the State of California, (b) Lost Coast Communications, Inc., dba KXGO has and is qualified to do business in California, (c) the entity has full right and authority to enter into this Sub-license, and (d) each person signing on behalf of the entity is authorized to do so.

Section 32. Late Charge.

KXGO acknowledges that late payment of rent or other amounts due to RBC hereunder will cause RBC to incur costs not contemplated by this Sub-license, the exact amount of such cost being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on RBC by the terms of any encumbrance, and notes secured by any encumbrance, covering the Premises. Therefore, if

any installment of rent or other amount due from KXGO is not received by RBC within five (5) business days of delivery to KXGO of written notice that said amount is past due, then KXGO shall pay one and one-half percent (1½ %) per month on rent to RBC as a late charge. This late charge shall be charged for each calendar month (without proration) in which all or any portion of rent due hereunder is delinquent for more than ten (10) business days from its original due date. The parties agree that this late charge represents a fair and reasonable estimate of the costs that RBC will incur by reason of late payment by KXGO. Acceptance of any late charge shall not constitute a waiver of KXGO's default with respect to the overdue amount, or prevent RBC from exercising any of the rights and remedies available to RBC under this Sub-license or by law. Such late charge shall be payable in addition to interest accruing under Section 4 of this Sub-license and shall be considered additional rent.

Section 33. Limitation of Liability.

No trustee, director, officer, employee, beneficiary, shareholder, partner, or agent of RBC, or of any partner of RBC, shall be personally liable in any manner or to any extent under or in connection with this Sub-license, and KXGO and its successors and assigns and, without limitation, all other persons, partnerships, corporations and entities, hereby waive any and all such personal liability and agree to look solely to RBC's interest in the Premises for the payment of any claim or for any performance.

Section 34. Surrender.

Upon termination of the term of this Sub-license by lapse of time or otherwise, KXGO agrees that it will immediately surrender and deliver up to RBC physical possession of the Premises, together with all improvements and appurtenances in connection therewith, in good condition, reasonable wear and tear and damage by fire, the elements, and any other cause not directly attributable to the negligence of KXGO excepted. KXGO will repair any damage that may be occasioned to the Premises by its removal of its personal property and trade fixtures.

Section 35. Entire Agreement.

This Sub-license constitutes the entire agreement between the parties hereto. This Sub-license shall be binding and inure to the benefit of the parties hereto, their respective successors and assigns.

Section 36. Compliance with Legal Requirements; RBC's Obligations.

(a) At KXGO's sole cost, KXGO shall promptly comply with all laws, statutes, ordinances, rules, regulations, orders, municipal, state, and federal authorities now in force or that may later be in force (collectively "Legal Requirements"), including, but not limited to, FCC; OSHA; CalOSHA; all provisions of the American With Disabilities Act (the "ADA"); the requirements of any board of fire underwriters or other similar body now or in the future

constituted; the requirements of any federal or state labor board or commission; any direction or occupancy certificate issued by public officers; workers' and unemployment compensation laws; equal employment opportunity laws; and tax withholding laws, insofar as they relate to the condition, use, or occupancy of the Premises or the operation of the Translator; except as regarding (i) structural changes or changes to the electrical, mechanical, or plumbing systems of the Antenna Site, to the extent such changes are not necessitated by KXGO's acts or by improvements made for KXGO; (ii) alterations or improvements to the Antenna Site as a whole or the common areas of the Antenna Site; and (iii) work necessitated by defects in the construction of the Antenna Site. The judgment of any court of competent jurisdiction, or the admission of KXGO in any action or proceeding against KXGO, whether RBC is a party or not, that KXGO has violated any Legal Requirement in the condition, use, or occupancy of the Premises, shall be conclusive of that fact as between RBC and KXGO.

(b) In the event that RBC shall be required to comply with any Legal Requirement as a result of any structural changes, changes to the electrical, mechanical, or plumbing systems of the Antenna Site or the Premises or any alterations or improvements to the Antenna Site as a whole or the common areas of the Antenna Site, which are done solely for the benefit of KXGO, any and all costs of such changes, alterations, and improvements, together with any and all costs associated with RBC's compliance with Legal Requirements in connection therewith, shall be for the account of KXGO, and KXGO shall within ten (10) days of receipt pay all invoices therefor as additional rent. RBC represents and warrants that it has received no notice that the Antenna Site fails to comply in any material respect with the ADA and that it is not presently contemplating any material modifications to the Antenna Site (other than as may be performed in connection with the construction of KXGO improvements for KXGO in the Antenna Site) to require the Antenna Site to conform to the requirements of the ADA.

(c) The obligations imposed on KXGO by this Section 36 are in addition to, and not in lieu of, the obligations imposed on KXGO by Sections 2 and 5 of this Sub-license.

(d) RBC is aware of its obligations under Section 303 of the Communications Act of 1934 (47 USC 303) to maintain the painting and illumination of the tower as prescribed by the Federal Aviation Administration (FAA) or the Federal Communications Commission (FCC). RBC further acknowledges that it is aware that it is subject to forfeitures assessed by the FCC for violations of such rules and requirements. RBC alone is responsible for compliance with all tower or building marking or lighting requirements of the FCC or FAA. RBC shall indemnify and hold harmless KXGO from any fines or other liabilities caused by RBC's failure to comply with such requirements. Further, should RBC be cited by either the FCC or FAA and then fail to bring the tower into compliance within the time limits prescribed by said agencies, then, KXGO may terminate this Sub-license immediately upon notice to RBC.

Section 37. IntraAntenna Site Network Cables.

Notwithstanding any provisions of this Sub-license to the contrary, RBC and KXGO agree as follows:

(a) Standard Wiring. KXGO agrees to maintain, and repair all telecommunication cabling, wiring, and risers running throughout the Antenna Site to the terminal point located nearest to the Premises or KXGO's telephone panel, as appropriate, so as to allow the Premises to be used as an antenna site.

(b) Wiring Modifications. KXGO agrees to maintain, and repair such additional telecommunication cabling, wiring, and risers as may be required to modify the Premises for KXGO's use.

(c) KXGO's Equipment. KXGO shall be responsible for, at KXGO's sole cost, any and all of KXGO's telephones, telecopiers, computers, telephone switching, telephone panels, and related equipment.

(d) Right of Entry. In addition to RBC's other rights of entry under this Sub-license, RBC shall have the right to enter into the Premises to effect its obligations under this Section to maintain and repair telecommunication cabling, wiring, and risers.

(e) Restrictions on KXGO Repairs. Notwithstanding KXGO's other rights under the Sub-license to make alterations to the Premises, KXGO shall not alter or modify the telecommunication cabling, wiring, and risers located in the Premises or otherwise without RBC's prior written consent.

(f) Designated Provider. If and to the extent this Section permits KXGO to install, repair and maintain telecommunication cabling, wiring, and risers located in the Premises or in the Antenna Site, KXGO agrees to cause such installation, maintenance, and repairs to be done by an independent contractor pursuant to the provisions of Sections 5(d) and 5(e).

(g) Indemnity. If and to the extent this Section permits KXGO to install, repair, and maintain telecommunication cabling, wiring, and risers located in the Premises or in the Antenna Site, or if KXGO otherwise effects the installation, repair, or maintenance of any telecommunication cabling, wiring, and risers located in the Premises or the Antenna Site, KXGO agrees, subject to the provisions of Section 38, to indemnify, release, defend, and hold RBC harmless against any and all damages, claims, or other liability resulting from such installation, repair, or maintenance, including, but not limited to, the costs of repair, the costs of handling complaints from other sublicensees in the Antenna Site, and any damages resulting from the interruption in service to other sublicensees in the Antenna Site.

(h) Release. KXGO hereby releases RBC from any and all losses, claims, injuries, damages, or other liability, including, but not limited to, consequential damages, whether to persons or property, no matter how caused, resulting from or in any way in connection with or incidental to the interruption of telecommunications services due to the failure of any telecommunications cabling, wiring, or risers, and KXGO expressly waives any right to claim that such interruption constitutes grounds for a claim of abatement of rent, constructive eviction, or termination of the Sub-license.

(i) Notice. KXGO agrees to provide prompt notice to RBC of any failure in the telecommunication cabling, wiring, and risers located in the Premises.

Landlord hereby acknowledges that the equipment at the Premises has been previously installed. Landlord acknowledges that the equipment as installed and in existence at the time of the commencement of this Lease complies with these requirements.

Section 38. Indemnification.

(a) KXGO agrees to defend, indemnify, and hold harmless RBC, its partners, shareholders, employees, officers, directors, and agents; the partners, shareholders, employees, officers, directors, or agents of any of RBC's partners (collectively, the "Indemnified Parties") from any and all loss, cost, liability, damage, and expense, including, without limitation, penalties, fines, and attorney fees and costs, incurred in connection with or arising from any cause whatsoever in, on, or about the Premises, including, without limiting the generality of the foregoing: (i) any default by KXGO in the observance or performance of any of the terms, covenants, or conditions of this Sub-license on KXGO's part to be observed or performed, (ii) the use or occupancy or manner of use or occupancy of the Premises by KXGO or any person or entity claiming through or under KXGO, (iii) the condition of the Premises or any occurrence or happening on the Premises from any cause whatsoever, (iv) any violation of Legal Requirements by KXGO or any person or entity claiming through or under KXGO, or by the agents, contractors, employees, sublicensees, invitees, or visitors of KXGO, (v) any damages sustained or incurred by RBC from any labor dispute or strike on the part of KXGO's employees or directed at KXGO, (vi) any acts, omissions, or negligence of KXGO or any person or entity claiming through or under KXGO, or of the agents, contractors, employees, sublicensees, invitees, or visitors of KXGO or any such person or entity, in, on, or about the Premises or the Antenna Site, related to events occurring or alleged to have occurred during the term of this Sub-license, including, without limitation, any acts, omissions, or negligence in the making or performing of any alterations, or (vii) any claim arising out of the failure or the alleged failure of KXGO or RBC to provide security to the Premises. KXGO further agrees to defend, indemnify, and hold harmless the Indemnified Parties from and against any and all loss, cost, liability, damage, and expense, including, without limitation, attorneys' fees and costs, incurred in connection with or arising from any claims by any persons by reason of injury to persons or damage to property occasioned by any use, occupancy, condition, occurrence, happening, act, omission, or negligence referred to in the preceding sentence. Nothing in this Section, however,

shall be construed to obligate KXGO to indemnify RBC against the claims of any third party which may arise out of any act, or omission of any act, by RBC or by the negligent actions of any third party. In the event any action or proceeding is brought against any Indemnified Party for any claim against which KXGO is obligated to indemnify such Indemnified Party under this Sub-license, KXGO, upon notice from such Indemnified Party, shall defend such action or proceeding at KXGO's sole expense by counsel approved by such Indemnified Party.

Section 39. Time of Essence.

Time is of the essence with respect to the obligations to be performed under this Sub-license.

Section 40. Security Measures.

KXGO shall provide such security measures as may be necessary to protect KXGO, its agents, customers, licensees, and the property of KXGO, its agents, customers, licensees, and invitees from acts of third parties. Nothing contained in this Sub-license shall prevent or require RBC at RBC's sole option from providing security protection for the Antenna Site or any part of it.

Section 41. Governing Law, Venue and Consent to Jurisdiction.

This Sub-license shall be governed by and construed in accordance with the laws of the State of California without regard to the principles of conflicts of law. Any claim, action, suit, or proceeding (collectively "Claim") between RBC and KXGO that arises from or relates to this Sub-license shall be brought and conducted solely and exclusively within the; provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the Superior and Municipal Court of Humboldt County. The parties hereto stipulate and consent to the in personam jurisdiction of said courts. Any reference to "law" herein shall be read to mean California law.

IN WITNESS WHEREOF, the parties hereto set their hands and seals the day and year first above written.

**RBC: Redwood Broadcasting
Company, Inc.**

**KXGO: Lost Coast
Communications, Inc.**

**By: Pattison J. Christensen
Its: President**

**By: Patrick Cleary
Its: President**

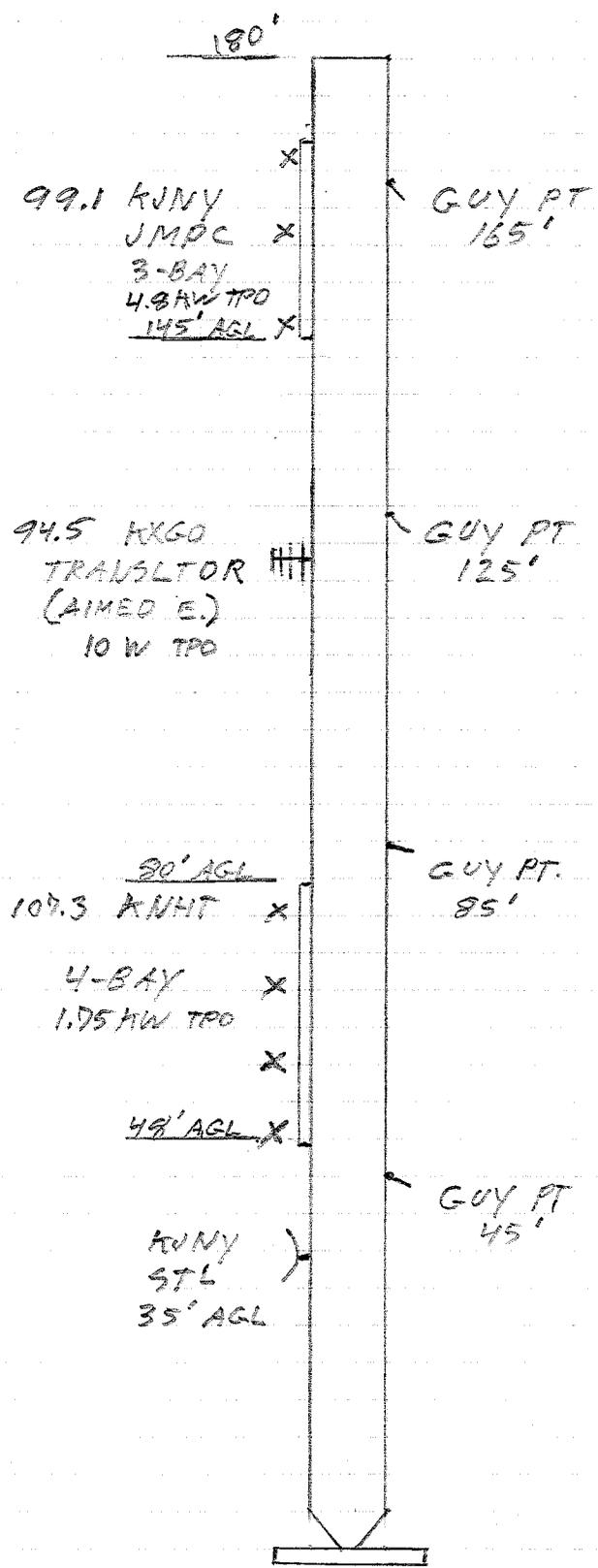
EXHIBIT A
BUNKER HILL TOWER SITE
LEGAL DESCRIPTION

An area of 360 square feet (18' x 20') located approximately 160 feet due east of the Eureka Communications Facility (formerly Motorola) on Licensor's real property bearing Humboldt County Assessor Parcel Number 102-012-02 as described in that certain deed recorded November 1, 1993 as document number 1993-30361-3 in the Office of the Humboldt County Recorder, Humboldt County, California.

EXHIBIT B
DESCRIPTION OF EQUIPMENT

KXGO Inventory
Bunker Hill Facility

TTC Translator for KXGO
Henry 100D-95 DC RF amplifier
Astron 35M power supply
Scala yagi antenna
Band pass cavity
Scala impedance transformer
Approx 100 ft feedline, RG6



BUNKER HILL
 RBC TOWER
 VIEWED FROM
 WEST

WIDTH NOT
 TO SCALE

□ = 4.5' IN HEIGHT

SCHEDULE 6.4.3
Items to be Repaired Prior to Closing

- 1) KXGO Transmitter – must be repaired to allow operation, full-time at full power and repaired so that it will not repeatedly blow circuit breakers at transmitter site.
- 2) Coaxial cable feeding the back-up transmitter – contaminated by rain water and must be replaced. Install dry air filter for the transmission line. Also, install low pass filter.
- 3) Continental exciter 802A – must be sent to continental to be recapped and calibrated.
- 4) Mosley 606 STL receiver, must be sent out for calibration and to be recapped.
- 5) Mosley 606 STL transmitter, must be sent out for calibration and to be recapped.
- 6) Scala paralector STL antenna horizontally polarized but the license shows vertical - must be replaced or made legal.
- 7) Modulation monitor -- must be recapped and calibrated.
- 8) K233AW – replace single cavity filter with a a 2 or 3 cavity filter.
- 9) Scala paralector STL antenna horizontally polarized but the license shows vertical - must be replaced or made legal.

SCHEDULE 6.7
Deficiencies – Authorizations

None

SCHEDULE 6.7.1
Deficiencies - Operations

None

SCHEDULE 6.8.1
Litigation

None