

**STOCK REDEMPTION AGREEMENT**

This Agreement is been made and entered into as of this 22<sup>nd</sup> day of April, 2004, by and among **RONALD W. MILLER, Trustee of the Ronald W. Miller Trust** ("Miller" or "Seller"), **MILLER BROADCASTING COMPANY, INC.** (the "Company" or "Buyer") and **PATTISON CHRISTENSEN** ("Christensen").

**WITNESSETH:**

WHEREAS, Miller is the owner of Seven Thousand (7,000) shares of the issued and outstanding capital stock of the Company (the "Stock", which stock constitutes seventy percent (70%) of the Company's issued and outstanding stock and Christensen owns the remainder of the Company's issued and outstanding stock;

WHEREAS, the Miller wishes to sell his Stock to the Company and the Company wishes to purchase the Stock on the terms and conditions herein set out;

WHEREAS, the Company is the licensee of radio Stations KXGO, facility ID 71700, Arcata, California, KAJK-FM, facility ID 39505, Ferndale, California, and KNCR, facility ID 39472, Fortuna, California and, consequently, the transfer of control of the Company to Christensen that will result from the purchase of the Stock by the Company requires the prior consent of the Federal Communications Commission ("FCC").

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties, intending to be legally bound, agree as follows:

**1. RULES OF CONSTRUCTION**

**1.1. Defined Terms.** As used in this Agreement, the following terms shall have the following meanings:

- ! "Transfer Application" means the application on FCC Form 315 that Miller, the Company and Pattison Christensen shall join in and file with the Commission requesting its consent to the transfer of control of the Company from Miller to Christensen.
  
- ! "Closing" means the consummation of the Transaction.
  
- ! "Closing Date" means the date on which the Closing takes place, as determined pursuant to Section 8 hereof.

- ! "Final Order" means any Commission action that, by lapse of time or otherwise, is no longer subject to administrative or judicial reconsideration, review, appeal or stay.
- "Senior Debt" means the Company's indebtedness to the Wells Fargo Bank which, as of April 1, 2004, was \$627,100.
- ! "Transaction" means the sale and purchase and assignments and assumptions contemplated by this Agreement and the respective obligations of Seller and Buyer set forth herein.

**1.2. Other Definitions.** Other capitalized terms used in this Agreement shall have the meanings ascribed to them herein.

**1.3. Number and Gender.** Whenever the context so requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be construed to mean or include any other gender or genders.

**1.4. Headings and Cross-References.** The headings of the Sections and sub-Sections hereof have been included for convenience of reference only, and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross-references to Sections or Subsections herein shall mean the Sections or Subsections of this Agreement unless otherwise stated or clearly required by the context. All references to Appendices herein shall mean the Appendices to this Agreement which have been separately initialed for identification by Seller and Buyer. Words such as "herein" and "hereof" shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context.

**1.5. Computation of Time.** Whenever any time period provided for in this Agreement is measured in "business days" there shall be excluded from such time period each day that is a Saturday, Sunday, recognized federal legal holiday, or other day on which the Commission's offices are closed and are not reopened prior to 5:30 p.m. Washington, D.C. time. In all other cases all days shall be counted.

**2. SALE AND PURCHASE OF STOCK.** On the Closing Date Miller shall sell, transfer, and convey to the Company, and the Company shall purchase and acquire from Miller, the Stock on the terms and subject to the conditions contained in this Agreement.

**3. PURCHASE PRICE AND METHOD OF PAYMENT.**

**3.1. Purchase Price.** The total consideration for the purchase of the Stock shall be an amount equal to seventy (70%) of the difference between Nine Hundred Sixty Thousand Dollars (\$960,000.00) and the outstanding principal balance of the Senior Debt as of the Closing (the "Purchase Price"). (For example, if the Closing were to have occurred in April 1, 2004, the Purchase Price would have been \$233,030, *i.e.*, \$960,000 - \$627,100 = \$332,900 x 70% = \$233,030.

**3.2. Payment of Purchase Price.** At Closing, the Company shall pay the entire Purchase Price to Miller, in immediately available funds.

**4. MILLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

Miller hereby makes the following representations, warranties, and covenants:

**4.1. Authority and Power.** Miller is a revocable *inter vivos* trust, the Trustee of which has full legal capacity and power to enter into, deliver and perform this Agreement. The Company is duly organized and existing in good standing under the laws of the State of California and has all the necessary corporate power to own, lease and operate its properties and carry on its business in the manner as such business is currently being conducted

**4.2. Binding Agreement.** This agreement has been duly executed and delivered by Miller to the Company and constitutes a legal, valid, and binding obligation of Miller, enforceable in accordance with its terms.

**4.3. No Violation.** The execution, delivery and performance of this Agreement by Miller will not violate, any agreement, or any order, rule, judgment or decree to which Miller is subject, nor will it constitute a material breach of, or material default under, any contract, agreement or other commitment to which Miller is a party or by which Miller is legally bound.

**5. BUYER'S REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER AND THE COMPANY.** Buyer hereby make the following representations, warranties and covenants:

**5.1. Existence and Power.** Buyer is duly organized and existing in good standing under the laws of the State of California and has all the necessary corporate power to own,

lease and operate its properties and carry on its business in the manner as such business is currently being conducted.

**5.2. Binding Agreement.** This agreement has been duly executed and delivered by the Company to Miller and constitutes a legal, valid, and binding obligation of the Company enforceable in accordance with its terms.

**5.3. No Violation.** The execution, delivery and performance of this Agreement by the Company will not violate the Company's articles of incorporation, its by-law or any agreement, order, rule, judgment or decree to which the Company is subject, nor will it constitute a material breach of, or material default under, any contract, agreement or other commitment to which the Company is a party or by which the Company is legally bound.

**6. APPLICATION TO THE FCC.** Within five (5) business days after the execution of this Agreement, the Company and Miller shall join with Christensen in filing the Transfer Application with the FCC and thereafter each of them shall prosecute the application diligently and in good faith.

**7. CONDITIONS PRECEDENT.**

**7.1. Mutual Conditions.** The obligation of both Miller and the Company to consummate this Agreement is subject to the satisfaction of each of the following conditions:

**7.1.1. FCC Consent.** The FCC shall have granted the Transfer Application and such grant shall be in full force and effect on the Closing Date.

**7.1.2. Absence of Litigation.** As of the Closing Date, no action, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of this transaction shall be pending before any court, the FCC, or any other Governmental Authority; provided, however, that this condition may not be invoked by a party if any such action, suit, or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of, such party.

**7.2. Conditions to Buyer's Obligation.** In addition to satisfaction of the mutual conditions contained in Section 7.1 the obligation of the Company to consummate this Agreement is subject to the satisfaction of each of the following conditions:

**7.2.1. Representations and Warranties.** The representations and warranties of Miller to the Company shall be true, complete, and correct in all material respects as of the Closing Date with the same force and effect as if then made.

**7.2.2 Financing.** The Company and/or Christensen shall have obtained financing commitments from a bank or other lending institution for the funds needed to pay off the Company's Senior Debt and to pay the Purchase Price to Seller.

**7.2.3. Closing Documents.** Miller shall deliver to the Company all of the closing documents specified in Section 8 all of which documents shall be dated as of the Closing Date, duly executed, and in a form reasonably acceptable to the Company.

**7.3. Conditions to Miller's Obligation.** In addition to satisfaction of the mutual conditions contained in Section 7.1, the obligation of Miller to consummate this Agreement is subject to satisfaction of each of the following conditions:

**7.3.1. Representations and Warranties.** The representations and warranties of the Company to Miller shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if then made.

**7.3.2. Closing Documents.** The Company shall deliver to Miller all the closing documents specified in Section 8, all of which documents shall be dated as of the Closing Date, duly executed, and in a form reasonably satisfactory to Seller.

## **8. CLOSING.**

**8.1. Closing Date and Method.** Unless the parties agree otherwise: (i) the Closing Date shall be the later of the fifth (5th) business day after the date on which all of the closing conditions (except for the deliveries that are required to be made on the Closing Date) have been satisfied and (ii) 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 the Company delivering the Purchase Price to Miller by wire transfer.

**8.2. Performance at Closing.** The following documents shall be delivered at Closing:

**8.2.1. By Miller.** Seller shall deliver to the Company:

(a) A certificate or certificates for the Stock, duly endorsed by Seller for transfer to Buyer;

(b) Miller's written resignation as an officer and director of the Company;

(c) Letters signed by Miller addressed to the bank or banks where funds of the Company are deposited or where any safe deposit boxes of the Company are located, stating that Miller has resigned as an officer and director of the Company and has relinquished any authority that he may have had to draw upon the Company's bank accounts or to access its safe deposit box and is no longer a guarantor for any debt of the Company.

### **8.2.2. By Buyer.**

(a) The Company shall deliver to Miller the Purchase Price.

(b) The Company shall file with the Secretary of State of California an amendment to its articles of incorporation changing the Company's name to one which does not include "Miller", and the Company shall deliver to Miller a copy of that amendment bearing the seal of the California Secretary of State within 30 days following Closing.

**9. DEFAULT.** If either Miller or the Company believes the other to be in default hereunder, the non defaulting party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default has not been cured by the earlier of: (i) the Closing Date, or (ii) within ten (10) 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 ten (10) day period and continues such efforts thereafter), then the party giving such notice may terminate this Agreement pursuant to Section 10.2 hereof. Upon such termination, all parties shall be relieved and discharged from any further obligation or liability hereunder.

### **10. TERMINATION.**

**10.1. Failure to Obtain FCC Consent.** This Agreement may be terminated at the option of either party upon written notice to the other if the Closing has not occurred within (9) months after the date on which the Transfer Application is accepted for filing by the FCC; provided, however, that a party may not terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determination by the Commission respecting the Assignment Application has been caused or materially contributed to (i) by any failure of such party to furnish, file or make available to the Commission information within its control; (ii) by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission; or (iii) by any other action taken by such party for the purpose of delaying the Commission's decision or determination respecting the Transfer Application.

**10.2. Termination Due to Breach.** This Agreement may be terminated by either party due to a material breach of either this Agreement by the nonbreaching party giving written notice of such termination.

### **11. GENERAL PROVISIONS.**

**11.1. Brokerage.** Each party represents to the other that it has not employed any broker or finder in connection with the Transaction and agrees to indemnify the other party and hold it harmless against any claim from any broker or finder based upon any agreement, arrangement, or understanding alleged to have been made by any other party.

**11.2. Expenses.** The FCC filing fee for the Transfer Application shall be paid by the Company. Except as otherwise provided herein, all other expenses incurred in connection with this Agreement or the Transaction shall be paid by the party incurring those expenses whether or not the Transaction is consummated.

**11.3. Notices.** Any notice, demand, or request required or permitted to be given under the provisions of the Agreement shall be deemed effective if made in writing and delivered to recipient's address or facsimile number set forth under its name below by any of the following means: (a) hand delivery, (b) registered or certified mail, postage pre-paid, (c) Federal Express, express mail or like courier service, or (d) facsimile. Notice made in accordance with this section shall be deemed delivered upon receipt.

To Miller:            Ronald Miller  
                          1080 Chestnut Street  
                          San Francisco, CA 94109  
                          Fax: 707-944-8332

with copies that shall not constitute notice to:

Charles Wixson, Esq.  
Suite 2050  
101 California Street  
San Francisco, CA 94111  
Fax: 415 661-0309

If to the Company    Miller Broadcasting Company, Inc.  
                          603 "F" Street  
                          Eureka, CA 95501  
                          Attn: Pattison Christensen  
                          Fax: 707-445-3906

with copies that shall not constitute notice to:

David Tillotson, Esquire  
4606 Charleston Terrace, N.W.  
Washington, D.C. 20007  
Fax: 202-965-2018

If to Christensen: Pattison Christensen  
c/o Miller Broadcasting Company, Inc.  
603 "F" Street  
Eureka, CA 95501  
Fax: 707-445-3699

Any party may change its address for notices by written notice to the other parties given pursuant to this Section. Any notice purportedly given by a means other than as set forth in this Section shall be deemed ineffective.

**11.4. Assignment.** None of the Company, Miller, or Christensen may assign its rights and obligations hereunder without the written consent of the other parties. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assignees.

**11.5. Exclusive Dealings.** For so long as this Agreement remains in effect, neither Seller nor any person acting on Seller's behalf shall solicit, initiate, or accept any offer from, or conduct any negotiations with, any person concerning the acquisition of the Stock, directly or indirectly, by any party other than Buyer or Buyer's permitted assignees.

**11.6. Christensen's Participation; Third Parties.** Christensen is only a party to this Agreement for the purpose of obligating himself to join in the Transfer Application as the transferee and, other than specifically provided herein by reference to him, is only bound by the provisions of this agreement pertaining to the filing and prosecution of that application. Nothing in this Agreement, whether express or implied, is intended to: (i) confer any rights or remedies on any person other than the parties hereto and their respective successors and permitted assignees; (ii) to relieve or discharge the obligations or liability of any third party; or (iii) to give any third party any right of subrogation or action against any of the parties hereto.

**11.7. Indulgences.** Unless otherwise specifically agreed in writing to the contrary: (i) the failure of any party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by any party of any default by another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by any party for the performance of any obligation or act by any other party shall be deemed to be an

extension of time for the performance of any other obligation or act hereunder.

**11.8. Prior Negotiations.** This Agreement supersedes in all respects all prior and contemporaneous oral and written negotiations, understandings and agreements between the parties with respect to the subject matter hereof. All of said prior and contemporaneous negotiations, understandings and agreements are merged herein and superseded hereby.

**11.9. Entire Agreement; Amendment.** This Agreement and the Exhibits and Schedules to this Agreement set forth the entire understanding between the parties in connection with the Transaction, and there are no terms, conditions, warranties or representations other than those contained, referred to or provided for herein and therein. Neither this Agreement nor any term or provision hereof may be waived, altered or amended in any manner except by an instrument in writing signed by the party against whom the enforcement of any such change is sought.

**11.10. 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 that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provisions of this Agreement shall be interpreted or construed against the party whose counsel drafted the provision.

**11.11. Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California without regard to the choice of law rules utilized in that jurisdiction.

**11.12. Severability.** If any term of this Agreement is illegal or unenforceable at law or in equity, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

**11.13. Waiver of Jury Trial; Attorney=s Fees.** If any law suit is filed to resolve an issue as to the interpretation or enforcement of this agreement (i) each party irrevocably waives trial by jury and the right thereto in any and all litigation in any court with respect to, in connection with, or arising out of

this Agreement and (ii) the prevailing party in such action 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 such litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

**11.14. Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.

[Signatures are on the following page]

IN WITNESS WHEREOF, and to evidence their assent to the foregoing, Seller and Buyer have executed this *Stock Redemption Agreement* as of the date first written above.

THE RONALD W. MILLER TRUST

/s/RONALD W. MILLER, Trustee

**MILLER BROADCASTING COMPANY, INC.**

By: /s/Pattison Christensen  
President

/s/Pattison Christensen,  
Individually