

AGREEMENT OF PURCHASE AND SALE OF STOCK

THIS AGREEMENT is made as of May 21, 2004, at Bishop, California, between JOHN EDWARD DAILEY and SANDRA JEAN DAILEY, husband and wife (hereinafter collectively referred to as "Sellers"), residing at 2349 Apache drive, Bishop, California, 93514 and STEPHEN MILLER and LAUREN BRANDT, husband and wife, residing at 2252 Meridian, No. 52, St. Moritz, Mammoth Lakes, California 93546 (hereinafter collectively referred to as "Buyers").

WHEREAS, Sellers own 2500 shares of the voting stock in GREAT COUNTRY BROADCASTING, INC., a California corporation ("the Corporation") having its principal place of business in Bishop, Inyo County, California, and being the licensee of AM broadcast station KBOV and FM broadcast station KIBS ["the Station(s)]. Buyers desire to purchase from Sellers and Sellers desire to sell to Buyers all their aforesaid shares of Corporation (the Shares); Buyers and Sellers desire that this transaction be consummated. In consideration of the mutual covenants, agreements, representations, and warranties contained in this agreement, the parties agree as follows:

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. **Price:** Sellers shall sell and Buyers shall purchase from Sellers, Two-Thousand Five-Hundred (2,500) shares of the capital stock of the Corporation, owned by the Sellers, for the sum (subject to the allocation provision of Paragraph 21 below) of NINE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$965,000.00), and the assumption of certain debts of the Corporation as of the date of signing this Agreement for which Sellers may be obligated. The price for the stock will be paid on the Closing Date, as follows:

- (a) ONE HUNDRED FORTY THOUSAND DOLLARS (\$140,000.00) cash.
- (b) A promissory note ("Note") in the principal amount of EIGHT HUNDRED

TWENTY-FIVE THOUSAND DOLLARS (\$825,000.00), amortized to be payable in full ten (10) years, six (6) months after making, and payable as follows:

(1) Monthly payments of interest only at the rate of 6% per annum from date of making, through December 31, 2004;

(2) Thereafter, monthly payments of principal and interest at the rate of 6% per annum through December 31, 2006;

(3) Thereafter, monthly payments of principal and interest at the rate of 7% per annum through December 31, 2007, and

(4) Thereafter, beginning January 1, 2008, monthly payments of principal and interest at the rate of 7% plus-or-minus the change, as of January 1 of the applicable calendar year, in the rate established by the Federal Reserve Bank of San Francisco on advances to member banks under Sections 13 and 13a of the Federal Reserve Act as now in effect or hereafter from time to time amended [(or if there is no such single determinable rate of advances, the closest counter-part of such rate as shall be designated by the Superintendent of Banks of the State of California unless some other person or agency is designated such authority by the Legislature) hereinafter "prime rate"] from January 1 of the calendar year immediately preceding, provided however that in no event shall such adjusted rate exceed that allowed by Article 15, section 1.1(2) of the California Constitution, and further provided that the Note shall, upon annual computation of such renewed rate of interest, be reamortized to be payable in ten (10) years, six (6) months from date of making.

2. **Security for Note:** The Note shall be secured by a pledge agreement, of even date, of the 2,500 shares of stock which are the subject of this Agreement.

3. **Restrictions on Collateral:** The parties hereto state that in the assignment of this

broadcast license Buyers will not pledge the license nor permit it to be used as collateral for any Note or otherwise encumber the license in any way. Further, there are no provisions or understandings that the Seller retains a right of reversion, or right to reassignment of the license in the future and no reservations for the right to use the facilities of the stations.

Additionally, security documents associated with the financing of the assignment of the assets to this Radio Station will provide that in the event of default, there will be either a public or private sale of the stock; and prior to the exercise of the stockholder rights by the purchaser at such sale, the prior consent of the Federal Communications Commission will be obtained.

4. **Certificates:** That upon payment as herein stated, Sellers will tender the stock certificates representing their interest, endorsed for transfer to Buyers, to the Buyers.
5. **Representations:** That Sellers represent to Buyers that there are no other payments due Sellers and that to Sellers' knowledge the financial statements of the Corporation are true.
6. **Issued Stock:** That the 2,500 shares sold herein represent all of the issued and outstanding stock of the Corporation held by Sellers and constituting 100% of the issued and outstanding stock of the Corporation.
7. **Release:** That Buyers hereby release Sellers from any and all obligations that occur with regard to the Corporation's operation after the date of FCC approval of the Transfer of control of the licenses hereof.
8. **Stock:** That Buyers purchase the stock with the full knowledge and understanding and are fully aware of the fact that the stock is non-registered stock with either the State of California or any securities registration agency of the United States and/or California governments.
9. **Representations:** That Sellers have not pledged the stock sold herein in any manner

whatsoever, and said stock is free and clear of any liens, encumbrances, and charges. Subject to the jurisdiction of the California Commissioner of Corporations pursuant to California Corporations Code 25102, Seller has full power to sell and transfer to Buyers the aforesaid 2,500 shares of stock in the Corporation.

10. **Payment of Note(s) and Debt(s)** Buyers, and each of them, hereby acknowledge that the outstanding installment debts of the Corporation which are now due and payable in installments as listed on Exhibit "A" will remain debts of the Corporation, due and payable in installments, at and following the Closing Date.

11. **Indemnification:** Buyers, and each of them, hereby agree to indemnify, defend, and hold harmless Sellers, and each of them, from any and all activities and broadcasts that occur on the stations, or either of them, or are related to the stations, which may create a liability to the Sellers after the Closing Date. Likewise, Sellers hereby agree to indemnify, defend, and hold harmless Buyers from any and all activities and broadcasts that occur or have occurred on the stations, or either of them, or are related to the station, that may create a liability to Buyers before Closing Date.

12. **Directors/Officers:** Sellers, and each of them, will resign from their positions as officers and directors of the Corporation upon the Closing and approval of the sale by the Federal Communications Commission ("FCC").

13. **Closing:** Closing will take place upon FCC notification of its approval of the Transfer of Control of the Corporation.

14. **Application to FCC:** The parties hereto agree to file an application for transfer of the licenses with the FCC within ten (10) days of the signing of this Agreement.

15. **Equipment condition:** The stations and the equipment of the stations are being

assumed by the Buyers on an "As Is, Where Is" basis with no warranties, express or implied, being given by Sellers. A complete list of said equipment is marked Exhibit "B", attached hereto and, by this reference incorporated herein as though set forth fully and at length.

16. **Expenses of the Parties:** Other than the allocations specifically mentioned herein, each of the parties hereto shall bear all expenses incurred by them, or any of them, in connection with the negotiation and consummation of the transactions contemplated hereby and the preparations therefore, including but not limited to the legal fees for the preparation of this Agreement, prosecution of the applications contemplated herein, and the Closing of this Agreement. The expenses of publication of the local notices required by the FCC in connection therewith shall be paid by Sellers. The FCC filing fee shall be shared equally by the parties.

17. **Representation by Counsel:** Sellers have been represented in the negotiation and execution of this Agreement by Douglas Buchanan, Esq., of Bishop, California, and Larry Perry, Esq., of Knoxville, Tennessee. Buyers have been represented therein by Peter E. Tracy, Esq., of Bishop, California.

18. **Covenant of Further Assurances:** The parties will execute such other documents as may be reasonably necessary for the implementation and consummation of this Agreement and for the successful processing by the FCC of the application to be filed with it.

19. **Survival of Representations, Warranties and Indemnification:** Neither the acceptance of payments due nor the acceptance of delivery of property hereunder shall constitute a waiver of any covenant, representation, warranty, agreement, obligation, undertaking, or indemnification of Sellers or Purchasers contained in this Agreement, and the same shall, unless otherwise specifically provided, survive the Closing Date.

20. **Amendment and Waiver:** This Agreement cannot be changed or terminated orally.

No waiver of compliance with any provision or condition hereof, and no consent provided for herein, shall be effective unless evidenced by an instrument in writing duly executed by the party or parties hereto sought to be charged with such waiver or consent.

21. **Non-Competition:** Sellers, and each of them, in further consideration for the payment to be made by Buyers on the Closing Date, agree that they will not, at any time within the five (5) year period immediately following the Closing Date, directly or indirectly engage in, or have any interest in, any firm, corporation, or business (whether as employee, officer, director, agent, security holder, creditor, consultant, or otherwise) that produces any "out of the air" radio or television signal in Inyo and/or Mono counties of California, or any part thereof. An "out of the air" radio or television signal in or to Inyo and/or Mono Counties, or any part of them, is a signal which regularly broadcasts and is regularly received during the hours of broadcast which travels directly from its origination source entirely through the air by any means, including repeating or rebroadcasting but not including carriage by cable, to household radios and television receivers located in said counties, or either of them. The parties intend that the covenant contained in this Section 21 shall be construed as a series of separate covenants, one for each activity specified. Except for geographic coverage, each such separate covenant shall be deemed identical in terms. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants deemed included in this Section 21, then the unenforceable covenant shall be deemed eliminated from these provisions for the purpose of those proceedings to the extent necessary to allow the remaining separate covenants to be enforced. The parties stipulate and agree that FIVE THOUSAND DOLLARS (\$5,000.00) of the Purchase Price set forth in Paragraph 1 above is in specific

consideration of, and is allocated to, this non-competition agreement. () () () ()

22. **Effect of this Agreement:** This Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements and understandings relating to the subject matter hereof. No representation, promise, inducement, or statement of intention has been made by either party that they shall be bound by or for which they shall be liable, and any alleged representation, promise, inducement or statement of intention not embodied herein shall not be enforceable.

23. **Inurement & Assignment:** All the terms, provisions, and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, personal representatives, and assigns. However, it is understood and agreed that this Agreement may not be assigned by Buyers without the written permission of the Sellers, or until the Note and any other obligation of Buyers to Sellers is/are paid in full.

24. **Section Headings:** The Article and Section headings of this Agreement are for convenience of reference only and do not form a part of this Agreement, nor do they in any way modify, interpret, or construe the intentions of the parties.

25. **Construction:** This Agreement shall be construed and enforced in accordance with the laws of California.

26. **Notice:** Any notice, demand, waiver or consent required or permitted hereunder shall be in writing and shall be given by United States certified or registered mail, postage prepaid, addressed as follows:

If to Seller: John E. Dailey and Sandra J. Dailey
7962 Rusty Lane
Reno, Nevada 89511

with copy to: Douglas Buchanan, Esq.
363 Academy Avenue
Bishop, California 93514

If to Buyers: Stephen Miller and Lauren Brandt
2349 Apache Drive
Bishop, California 93514

with copy to: Peter E. Tracy, Esq.
Post Office Box 485
Bishop, California 93515

Notice shall be deemed given five days after the date of mailing as established by the Post Office cancellation mark. Any party may change its address for the purpose of this Section by giving notice in accordance with the provisions of this Section.

27. **Attorney's Fees:** Should either party bring legal action for the purpose of enforcing rights or compelling performance under the terms of this Agreement, the Court shall have the power to award a reasonable attorney's fee to the prevailing party.

28. **Broker's Fees:** The parties hereby represent and warrant that there are no broker's fees due to anyone by reason of this Agreement.

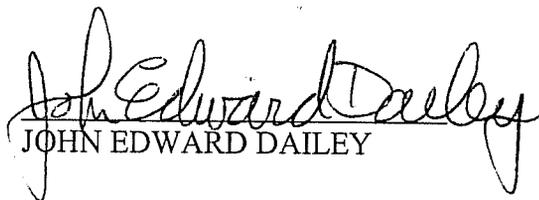
29. **Effective Date:** The sale/purchase which is the subject of this Agreement shall be deemed made effective upon FCC approval and closing.

30. **Los Angeles Lease; Hazardous Materials:** The principal office of the Corporation is located on real property, on South Highway 395, south of the City of Bishop, in the County of Inyo, State of California, leased from the City of Los Angeles ("Los Angeles") by the Corporation. A copy of said lease is marked Exhibit "B" and is attached hereto. The parties acknowledge and agree that said leasehold has no value, that no consideration is passing under this Agreement for said

leasehold, and that said leasehold is not assignable without the approval of Los Angeles first had and obtained, inheritable, or in any way transferable without the approval of Los Angeles, by the parties, or any of them. The parties acknowledge and agree that the sale of all of the stock of the Corporation pursuant to this Agreement will constitute a voluntary assignment of the lease as defined in subdivision "A" of that Paragraph entitled "CORPORATION OR PARTNERSHIP" on Page 11 of said Lease, and that the prior written consent of Los Angeles to said assignment is a condition precedent for the Closing. ^{AK} () (M) (RB) (ED) Further, the Sellers, in addition to any warranties given above, hereby warrant that there are no underground storage tanks located upon said leasehold in which any Hazardous Material (as defined below) has been or is being stored, nor has there been any spill, disposal, discharge, or release of any Hazardous Material into, upon, from, or over that leasehold or into or upon ground or surface water upon said leasehold. There are no asbestos-containing materials incorporated into the buildings or interior improvements that are located upon said leasehold, or transformer, florescent light fixture with ballasts, or other equipment containing PCBs on said leasehold. As used in this Paragraph, "Hazardous Material" means any hazardous or toxic substance, material, or waste that is regulated by any federal authority or by any State of local governmental authority where the substance, material or waste is located.

IN WITNESS WHEREOF, the parties subscribe their signatures at Bishop, California, on the day, month and year first above stated.

SELLERS:


JOHN EDWARD DAILEY

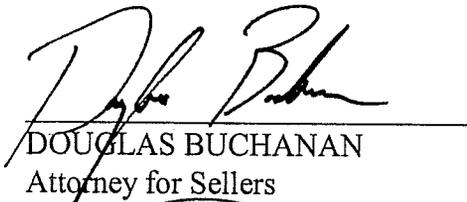

SANDRA JEAN DAILEY

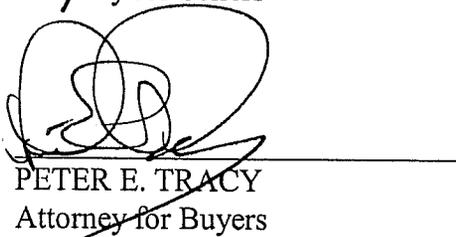
BUYERS:


STEPHEN MILLER


LAUREN BRANDT

APPROVED BY COUNSEL:


DOUGLAS BUCHANAN
Attorney for Sellers


PETER E. TRACY
Attorney for Buyers

BALANCES ON EQUIPMENT CONTRACTS

Bank of the West – Smarts System	\$22,899.24
0% Interest – Lease/Purchase	
\$817.83 per month	
28 Payments remaining	
Dimension Funding – FM Antenna	\$22,124.31
0% Interest – Lease/Purchase	
\$433.81 per month	
51 Payments remaining	

BL NO. 1342
ACCOUNT NO.: 16018
PROPERTY NO.: 13-020-04D

LEASE

The CITY OF LOS ANGELES, a municipal corporation, and DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, hereinafter collectively referred to as Lessor, leases to:

Great Country Broadcasting, Inc.
dba KIBS

hereinafter referred to as Lessee, certain real property situate in the County of Inyo, State of California, more particularly shown on the drawing marked *Exhibit A*, attached hereto and made a part hereof.

This lease is subject to all existing uses, all matters of record, and to the reservations hereinafter set out.

There is excepted from this lease and reserved to the Lessor all water and water rights, whether surface, subsurface, or of any other kind; and all water and water rights appurtenant or in anywise incident to the lands or premises leased herein, or used thereon or in connection therewith, together with the right to develop, take, transport, control, regulate, and use all such water and water rights.

There is also excepted and reserved to the Lessor the right to use, operate, and maintain any ways, waterways, ditches, pipelines, canals, wells, and appurtenances thereto, or desirable in connection therewith, together with the right to grant easements, rights-of-way, licenses, and permits for other purposes that will not unreasonably interfere with Lessee's use of the premises.

THIS LEASE IS MADE UPON AND SUBJECT TO THE FOLLOWING TERMS, COVENANTS, AND CONDITIONS TO WHICH THE PARTIES EXPRESSLY AGREE:

TERM: November 1, 2003 through October 31, 2008 shall represent the current term for use of the property covered by this lease, unless sooner terminated as herein provided; the same being a lease for a period of five years only and no longer.

DESIGNATED USE: The subject premises shall be used as a site for a radio station, and for no other purpose.

BASIC RENT: Lessee shall pay to Lessor as basic rent, in advance, the sum of Six Hundred Fifty-five and No/100 Dollars (\$655) per month, commencing on the date the term commences and continuing during the term of this lease.

ADDITIONAL RENT - TAX INCREASE: Lessee shall also pay to Lessor, when billed, any increase in taxes or general or special assessments levied against the leased premises, whether the increases result from increased rate and/or valuation levied and assessed against

the premises, over and above those real property taxes which have been included in the rental rate for the first year of this lease.

Such increases will be billed in addition to the basic rental each lease year subsequent to the first year of the lease term.

RENT PAYMENT: Lessee agrees to pay all rent promptly when due, and without deduction, setoff, prior notice, or demand, to the Department of Water and Power, 300 Mandich Street, Bishop, California 93514-3449. All payments shall reference Account No. 16018.

Lessor is not required to make any demand on the Lessee for the payments, whether on the premises or elsewhere. Billing for any payment shall be for the convenience of the Lessee and not required of the Lessor.

Prompt payment shall mean payment at the office of Lessor not more than five (5) days after the due date for the basic rental as set forth in this lease. Rental due and not paid promptly shall be deemed delinquent.

Rent not paid when due shall bear interest from due date until paid, at the rate of 10/12^{ths} of 1% per month (10% per annum) from the date rent is due. Said sum shall be deemed additional rent.

If any check offered by the Lessee in payment of rent or any other amount due under this agreement is returned for any reason other than that caused by the Lessor's negligence, Lessee shall pay to Lessor a check-return processing charge in the amount of Thirty and No/100 Dollars (\$30.00).

Payments received after the 25th of the month will not be credited to the account until the following month; therefore, the delinquent rent charge will be assessed on all unpaid rent as of the 26th of each month.

TAXES - GENERAL: Lessee shall pay before delinquency, all taxes, assessments, license fees, and other charges that are levied upon the personal property and improvements owned by Lessee, if any, and used or located on the leased premises; and shall pay any other tax arising out of Lessee's operations upon the premises, including, but not limited to, any possessory interest tax.

TAXES - SPECIAL ASSESSMENTS: In the event any special assessments or taxes are levied against the leased premises by a district, special district, assessment district, or any other political entity or public corporation with power to levy taxes and/or assessments, such as a watermaster service or a water district, Lessor shall pay said taxes and/or assessments, and said payment, unless the Lessor shall otherwise find and determine, will be added to the basic rental at the beginning of any rental period.

SUBSTITUTE AND ADDITIONAL TAXES: If at any time during the term of this lease the State of California or any political subdivision of the state, including any county, city, city and county, public corporation, district, or any other political entity or public corporation of this state, levies or assesses against Lessor a tax, fee, or excise on rents on the square footage of the premises on the act of entering into this lease or on the occupancy of Lessee, or levies or assesses against Lessor any other tax, fee, or excise, however described, including, without limitation, a so-called value-added tax, as a direct substitution in whole or in part for or in addition to any real property taxes, Lessee shall pay before delinquency that tax, fee, or excise. Lessee's share of any such

SCHOBER

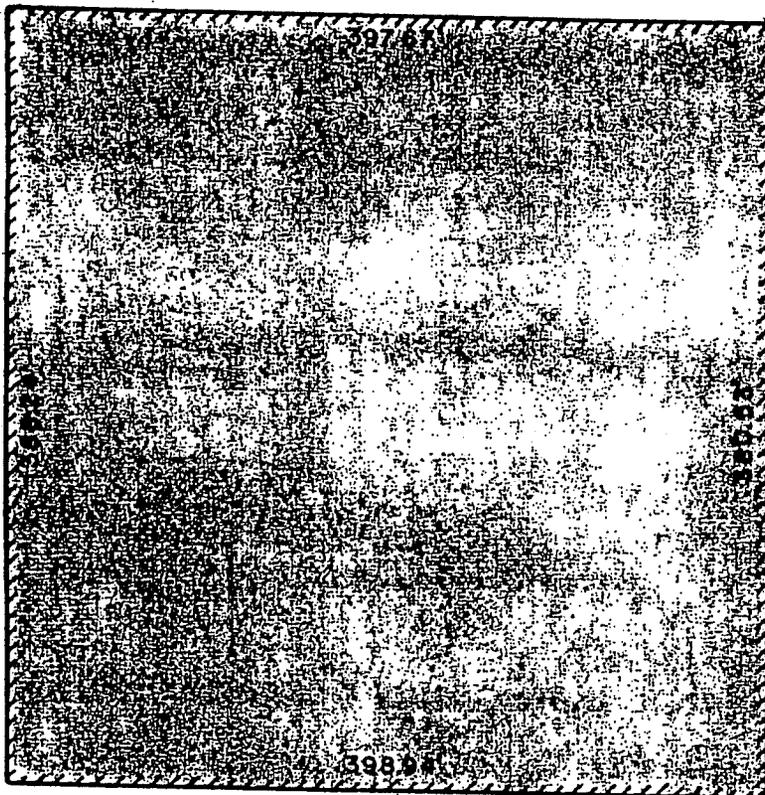
LANE

OF PAVEMENT

FENCE LINE

SECTION 18
T. 7 S., R. 33 E.
M.D.B. & M.

299.18'



TO BISHOP

1" = 100'

395

LEASED PREMISES
3.51 Ac.

tax, fee, or excise shall be substantially the same as Lessee's proportionate share of real property taxes as provided in this lease.

POSSESSORY INTEREST TAX: By executing this agreement and accepting the benefits thereof, a property interest may be created known as a "possessory interest," and such property interest will be subject to property taxation. Lessee, as the party in whom the possessory interest is vested, will be subject to the payment of the property taxes levied upon such interest. Lessee herewith acknowledges that by this paragraph, the Lessor has provided notice of possessory liability as required by Revenue and Taxation Code Section 107.6.

UTILITIES: Lessee agrees to promptly pay all charges for public utility services furnished for use on the premises, or any other charges accruing or payable in connection with Lessee's use and occupancy of the premises.

SIGNS: Lessee shall not allow any permanent or temporary signs, banners, placards, or other advertising matter or devices other than usual and ordinary business signs of Lessee to be placed, attached to, or maintained on said premises or any part thereof, without the prior written consent of Lessor; and such business signs shall be placed, attached, and maintained in such a manner as Lessor shall prescribe.

CARE OF PREMISES: Lessee is the current tenant and has examined the premises, knows the condition thereof, and accepts possession thereof in its present condition relying solely on its own inspection and not on any representations that may have been made by the Lessor or any of its agents.

Lessee agrees at its cost to keep the premises in good, clean, orderly, and sanitary condition, and shall not commit nor allow to be committed any waste, nuisance, or disposal of hazardous material or wastes upon the premises. Lessee further agrees to remove from the leased premises anything placed or stored there which Lessor considers to be undesirable or unsightly.

Any restoration of or repairs to the premises made necessary by the installation or removal of any structure, personal property, alteration, or trade fixture owned, placed, attached, or installed by Lessee on the premises shall be made at Lessee's sole cost and expense.

BURN PERMITS: Lessee shall not burn off any part of the premises without a burning permit first being obtained from Lessor and any other regulatory authority having jurisdiction; and Lessee, at all times and at its own expense, shall do all things reasonably necessary to protect said premises from fire and fire hazards.

COMPLIANCE WITH APPLICABLE LAWS: Lessee shall comply, at all times in its use and occupancy of the premises and in the conduct of its operations thereon, with all laws, statutes, ordinances, rules, and regulations, including laws and regulations controlling and regulating the use and disposal of hazardous materials and wastes, applicable thereto enacted and adopted by federal, state, regional, municipal, or other governmental bodies or departments or offices thereof. In addition to the foregoing, Lessee shall comply immediately with any and all directives issued by Lessor or its authorized representatives under authority of any such law, statute, ordinance, rule, or regulation.

MAINTENANCE AND REPAIR: As part of the consideration for this lease, Lessee agrees, at all times hereunder and at its own expense, to keep, maintain, paint, and repair the leased

premises and all improvements thereon, if there be any whether owned by Lessor or Lessee, in as good and substantial condition and state of repair as the same now are or in such improved condition as the same may hereafter be placed, reasonable wear and tear and damages by causes beyond Lessee's control excepted, except that regardless of the present condition or state of repair and regardless of the reasonableness or cause of wear, tear, or damages, Lessee shall keep and maintain, at all times hereunder and at its own expense, the premises and all improvements and facilities thereon in as good condition and repair as may be necessary for the safety of all persons who may lawfully enter thereupon.

In the absence of a written agreement to the contrary, Lessor shall not be required at any time to maintain, paint, or make repairs, improvements, alterations, or additions on or to the leased premises. Lessor reserves the right, however, at any time to perform such maintenance or make such repairs or perform such other acts on or to the premises as shall be by Lessor deemed necessary for the preservation of any portion thereof, or the protection of Lessor's investment therein, and the further right to remove trees, weeds, and other things which Lessor may deem to be unsightly or undesirable; but such works performed by Lessor shall constitute, in no event, a waiver of Lessee's obligation hereunder to keep said premises in good repair and free from rubbish, noxious weeds, and other unsightly matter.

Lessee waives the provisions of Civil Code Sections 1941 and 1942 with respect to Lessor's obligations for tenantability of the premises and Lessee's right to make repairs and deduct the expenses of such repairs from rent.

Should Lessor make or perform any repairs, removals, or maintenance, or agree at the request of Lessee to perform maintenance, repairs, alterations, construction, or other works of improvement on the leased premises, Lessor may, at its option, perform such works and either bill Lessee for the entire costs of same, which Lessee agrees to pay on demand, or Lessor may, upon thirty (30) days' written notice to Lessee, increase the lease rental by an amount necessary for Lessor to recover all or part of the cost of such works, as Lessor shall determine, over the remaining term of this lease, or any lesser portion thereof as Lessor shall determine.

IMPROVEMENTS - GENERAL: Lessee shall not build nor place any structure on the leased premises nor make any alterations or additions thereto without the prior written consent of Lessor.

In the absence of a written agreement to the contrary, and subject to the provisions of the paragraph entitled *Surrender of Premises* in this lease, all improvements and structures on the leased premises are the property of the Lessee.

IMPROVEMENTS OWNED BY LESSEE: If there should be any structures or improvements owned by Lessee located upon the leased premises, whether existing or hereafter placed upon the premises, such structures or improvements, other than trees and shrubs planted by Lessee, may be removed by Lessee at any time. It is expressly agreed and understood that any and all such structures and improvements are subject to each and every term, covenant, and condition of this lease.

In the event Lessee exercises its right to remove Lessee-owned improvements during the term of this lease, Lessee shall guarantee that the leased premises, including any remaining improvements thereon whether Lessee- or Lessor-owned, shall remain in good order and repair, and that the premises remain suitable and functional for the purposes for which they were leased.

INSPECTION: Lessor, through its authorized agents or employees, shall have the right at any time during reasonable business hours, in conformance with applicable provisions of the Civil Code, to enter upon the premises for any purpose that will not unreasonably interfere with Lessee's use herein, including, but not limited to, the purpose of inspection and repair.

NONDISCRIMINATION: The Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, sex, religion, national origin, or ancestry in any transfer by sublease or assignment, or in the use, occupancy, tenure, or enjoyment of the premises herein leased.

TERMINATION BY PARTIES: This lease may be terminated by either party by giving to the other party not less than thirty (30) days' advance written notice of such termination; but, for reasons other than nonpayment of rent, such right of termination shall be exercised by Lessor only when Lessee is in default with respect to the terms, conditions, or covenants of this lease, or in the event the Board of Water and Power Commissioners of the City of Los Angeles determines that the operations of Lessor or the public interest require such termination.

SURRENDER OF PREMISES: Upon the expiration of the term of this lease or sooner termination as herein provided, Lessor has the right to discontinue leasing the premises and has no obligation to Lessee to renew, extend, transfer, or re-lease the premises. If this right is exercised by Lessor, Lessee shall vacate the premises and shall peaceably surrender the same.

Under Lessor's right to discontinue leasing the premises, Lessee is obliged to, and shall remove any and all Lessee-owned works, improvements, structures, hazardous materials and wastes, and personal property located in or upon the leased premises, and except for trees and shrubs and Lessor-owned improvements, if any, Lessee shall leave the premises in a level, graded condition. Lessor may waive the obligation to remove and restore, in writing, upon prior written request therefor by Lessee. If the obligation is waived, Lessee shall quit and surrender possession of the premises to Lessor in at least as good and usable condition as the same are required to be maintained under the provisions of the paragraph entitled *Maintenance and Repair*, and the paragraph entitled *Care of Premises*. In this event, Lessor shall acquire title to any and all works, structures, improvements, and alterations located in or upon the leased premises and remaining there upon the expiration or any termination of this lease, and Lessee agrees that title to same shall and by this agreement does vest in Lessor, and that Lessee shall thereafter have no rights whatsoever in any such works, structures, improvements, alterations, or personal property left on the premises.

Should Lessee fail to remove any Lessee-owned or sublessee-owned works, improvements, structures, trade fixtures, appurtenances, furniture, or other personal property, or fail to request Lessor's waiver of removal, Lessor can elect to retain or dispose of, in any manner, any such works, improvements, structures, trade fixtures, appurtenances, furniture, or personal property that Lessee does not remove from the premises on expiration or termination of the term as allowed or required by this lease by giving thirty (30) days' written notice to Lessee. Title to any such works, improvements, structures, fixtures, appurtenances, furniture, or tenant's personal property that Lessor elects to retain or dispose of on expiration of the 30-day period shall vest in Lessor. Lessee waives all claims against the Lessor for any damage to the Lessee resulting

from Lessor's retention or disposal of any such property. Lessee shall be liable to Lessor for Lessor's costs for storing, removing, or disposing of any such property of the Lessee or sublessees.

HOLDING OVER: If Lessee shall hold over after expiration or other termination of this lease, whether with the apparent consent or without the consent of Lessor, such shall not constitute a renewal or extension of this lease, nor a month-to-month tenancy but only a tenancy at will with liability for reasonable rent, and in all other respects on the same terms and conditions as are herein provided. The term reasonable rent as used in this paragraph shall be no less than 1/12th of the total yearly rents, taxes, and assessments provided for elsewhere in this lease, per month, and said reasonable rent during the holdover period shall be paid, in advance, on the first day of each month.

SUBLEASE OR VOLUNTARY ASSIGNMENT: Lessee shall not voluntarily transfer or encumber its interest in the whole or any part of this lease or in the premises, or sublease the whole or any part of the leased premises, or permit the use or occupancy of any part of the premises by any other person or entity, or permit the transfer of the lease or possession of the leased premises by merger, consolidation, dissolution, or otherwise. Any assignment, transfer, or encumbrance shall be voidable and, at Lessor's election, shall constitute a default. Lessee shall not sublease the whole or any part of the leased premises, nor permit the use or occupancy of any part of the premises by any other person or entity. Any sublease of the premises shall, at Lessor's election, be considered a default. Nothing herein contained shall be construed to prevent the use of said premises by any employee or business invitee of Lessee.

INVOLUNTARY ASSIGNMENT: No interest of Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

- A. If Lessee is or becomes bankrupt or insolvent; makes an assignment for the benefit of creditors; institutes, or is a party to, a proceeding under the Bankruptcy Act in which Lessee is the bankrupt or debtor; or, if Lessee is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors;
- B. If a writ of attachment or execution is levied on this lease; or
- C. If, in any proceeding or action to which Lessee is a party, a receiver is appointed with authority to take possession of the premises.

An involuntary assignment shall constitute a default by Lessee, and Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of Lessee. If a writ of attachment or execution is levied on this lease, Lessee shall have ten (10) days in which to cause the attachment or execution to be removed. If any involuntary proceeding in bankruptcy is brought against Lessee, or if a receiver is appointed, Lessee shall have sixty (60) days in which to have the involuntary proceeding dismissed or the receiver removed.

DEFAULT: The occurrence of the following shall constitute a default by Lessee:

- A. Failure to pay rent when due if the failure continues for ten (10) days after notice has been given to Lessee.

- B. Failure to act promptly to remove liens placed against the subject property. Within ten (10) days after notice of a lien has been given to Lessee, Lessee will either provide a Lien Release Bond or will take action reasonably calculated to result in the removal of the lien.
- C. Failure to perform any other provision of this lease if the failure to perform is not cured within thirty (30) days after notice has been given to Lessee. If the default cannot reasonably be cured within thirty (30) days, Lessee shall not be in default of this lease if Lessee commences to cure the default within the thirty (30) day period, and diligently and in good faith continues to cure the default.
- D. Assignment and/or sublease, in whole or part, of the leased premises, as provided in the paragraph entitled *Sublease or Voluntary Assignment*.
- E. Failure to maintain in full force and effect throughout the term of this lease insurance as may be specified in the paragraph entitled *Insurance*.

Notices given under this paragraph shall specify the alleged default and the applicable lease provisions, and shall demand that Lessee perform the provisions of this lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the premises. No such notice shall be deemed a forfeiture or a termination of this lease unless Lessor so elects in the notice.

INDEMNITY - GENERAL: The Lessee undertakes and agrees to indemnify and hold harmless the City of Los Angeles, the Department of Water and Power, the Board of Water and Power Commissioners of the City of Los Angeles, and all of their officers and employees, and, at the option of the Department, defend the Department and any and all of their Boards, officers, agents, representatives, employees, assigns, and successors in interest from and against any and all suits and causes of action, claims, charges, damages, demands, judgements, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury, or personal injury to any person, including Lessee's employees and agents, or damage or destruction to any property of either party hereto, or third persons in any manner arising by reason of or incident to the exercise or enjoyment of the premises herein given whether or not contributed to by the negligent acts, errors, omissions, or willful misconduct incident to the performance of this lease on the part of the Lessee, or the Lessee's officers, agents, or employees, except for the sole negligence or willful misconduct of the Department, its Board, officers, agents, representatives, or employees.

INSURANCE:

A. General Requirements

Prior to the start of tenancy/occupancy, but not later than 30 days after the date of award of lease, the Lessee shall furnish the Lessor evidence of coverage from insurers acceptable to the Lessor and in a form acceptable to the Risk Management Unit and the office of the City Attorney. Such insurance shall be maintained by the Lessee at the Lessee's sole cost and expense.

Such insurance shall not limit or qualify the liabilities and obligations of the Lessee assumed under the lease. The Lessor shall not, by reason of its inclusion under these policies, incur liability to the insurance carrier for payment of premium for these policies.

Any insurance carried by the Lessor which may be applicable shall be deemed to be excess insurance, and the Lessee's insurance is primary for all purposes despite any conflicting provision in the Lessee's policies to the contrary.

Said evidence of insurance shall contain a provision that the policy cannot be cancelled or reduced in coverage or amount without first giving thirty (30) calendar days' notice thereof (10 days for nonpayment of premium) by registered mail to the office of the City Attorney, Water and Power Division, P.O. Box 51111, General Office Building Room 340, Los Angeles, California 90051-0100.

Should any portion of the required insurance be on a "Claims Made" policy, the Lessee shall, at the policy expiration date following completion of tenancy, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms, and conditions of the expiring policy, or that an extended discovery period has been purchased on the expiring policy at least for the lease under which the tenancy occurred.

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of lease, upon which the Lessor may immediately terminate or suspend the lease.

B. Automobile Liability

The Lessee shall provide Commercial Automobile Liability insurance which shall include coverages for liability arising out of the use of owned, nonowned, and hired vehicles as required to be licensed under the California or any other applicable state vehicle code. The Commercial Automobile Liability insurance shall have not less than **\$1,000,000** combined single limit per occurrence and shall apply to all operations of the Lessee.

The Commercial Automobile Liability policy shall name the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, the Department of Water and Power of the City of Los Angeles, and their officers, agents, and employees while acting within the scope of their employment, as additional insureds with the Lessee, and shall insure against liability for death, bodily injury, or property damage resulting from the Lessee's vehicle operations during the term of this lease.

C. General Liability

The Lessee shall provide Commercial General Liability Insurance with Blanket Contractual Liability, Broad Form Property Damage,

Premises and Operations, Fire Legal Liability, Independent Contractors, Products and Completed Operations, and Personal Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by the Lessee, but not less than \$1,000,000 combined single limit. Should the policy have an aggregate limit, such aggregate limits should not be less than double the Combined Single Limit and be specific for this lease. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverage shall be on the Lessor's additional insured endorsement form or on an endorsement to the policy acceptable to the Risk Management Unit and provide the following:

1. Include the Lessor and its officers, agents, and employees as additional insureds with the Named Insured for the activities and operations under the lease.
2. A Severability-of-Interest or Cross-Liability Clause, such as, "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."
3. A description of the coverages included under the policy.

D. Excess Liability

The Lessee may use an Umbrella or Excess Liability Coverage to meet coverage limits specified in the lease. Evidence of Excess Liability shall be in the form of the Lessor's Excess Liability-Additional Insured Endorsement form or equivalent. The Lessee shall require the carrier for Excess Liability to properly schedule and to identify the underlying policies as provided for on the Additional Insured Endorsement form, including, as appropriate, Commercial General Liability, Airport Liability, Aircraft Liability, Commercial Automobile Liability, Employer's Liability, or other applicable insurance coverages.

E. Workers' Compensation/Employer's Liability Insurance

The Lessee shall provide Workers' Compensation insurance covering all of the Lessee's employees in accordance with the laws of any state in which the tenancy/occupancy occurs and including Employer's Liability insurance. The limit for Employer's Liability coverage shall be not less than \$1,000,000 per accident and shall be a separate policy if not included with Workers' Compensation coverage. Evidence of such insurance shall be in the form of a special endorsement of insurance and shall include a Waiver of Subrogation against the Lessor, its officers, agents, and employees. Workers' Compensation/Employer's Liability exposure may be self-insured, provided that the Lessor is furnished with a copy of the certificate issued by the state authorizing the Lessee to self-insure.

Lessee shall notify the Risk Management Unit by receipted delivery, as soon as possible, of the state withdrawing authority to self-insure.

F. All Risk Property Insurance

The Lessee shall procure a policy of All Risk Property Insurance which shall cover all building structures and improvements on leased property, as well as trade fixtures, equipment, and personal property. This insurance will be in the amount of the full replacement value of the covered property, and will include Loss of Rental Insurance for three (3) months. Deductibles or Self-Insured Retentions shall be subject to the Lessor's approval. Said insurance shall have a Loss Payee endorsement in favor of the Department of Water and Power of the City of Los Angeles for the Lessor-owned improvements. Evidence of such insurance shall be in the form of an ACCORD® Certificate of Property Insurance or other endorsement form acceptable to the Lessor's Risk Management Unit.

DESTRUCTION OF PREMISES: If the leased premises, including any building or buildings thereon, or any part thereof, shall at any time be destroyed or damaged by fire or other casualty caused solely by the Department so that they shall be thereby rendered unfit for occupation or use as herein provided, then, and in that event, this agreement may be terminated by either party giving 30 days' written notice of such termination, and Lessee shall immediately surrender the premises to Lessor, and shall pay rent only to the time of such surrender. Lessee shall have no claim against Lessor for the value of any unexpired term, or the loss of Lessee's personal property from any cause whatsoever. Lessee shall not be relieved of its obligation to replace/repair damaged property to the satisfaction of the Lessor.

Lessee waives the provisions of Civil Code Sections 1932(2) and 1933(4) with respect to any destruction of the premises.

NOTICES: Any notice to be given hereunder by either party to the other shall be in writing, and either served personally or sent by prepaid first-class mail. Any such notice shall be addressed as follows:

To Lessor:

Real Estate
Department of Water and Power
300 Mandich Street
Bishop, California 93514-3449

To Lessee:

Great Country Broadcasting, Inc.
dba KIBS
P.O. Box 757
Bishop, CA 93515-0757

or to such other address as Lessor and Lessee may hereafter designate by written notice. Notice shall be deemed communicated within twenty-four (24) hours from the time of mailing if mailed as provided in this paragraph.

WAIVER: No delay or omission in the exercise of any right or remedy of Lessor on any default by Lessee shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct of Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by Lessee before the expiration of the term. Only a notice from Lessor to Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease.

Lessor's consent or approval of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent to or approval of any subsequent act by Lessee.

Any waiver by Lessor of any default shall not be a waiver of any other default concerning the same or any other provision of the lease.

CUMULATIVE NATURE OF REMEDIES: Lessor shall have the remedies allowed in this lease if Lessee commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

ATTORNEYS' FEES AND COSTS: The Lessee agrees to pay to the Lessor all costs and expenses, including attorneys' fees, in a reasonable sum incurred in enforcing any and all of the terms, covenants, agreements, and conditions of this lease, or in any litigation or negotiation in which the Lessor shall, without its fault, become involved through or on account of this lease and in any action brought by the Lessor to recover any money due and unpaid hereunder, or to recover possession of said demised premises, whether such action proceed to judgment or not. Lessee is advised that pursuant to the provisions of Section 1717 of the Civil Code it may, as the prevailing party in an action between Lessor and Lessee, be entitled to an award of reasonable attorney's fees as a result of this paragraph.

SUCCESSORS IN INTEREST: This lease shall inure to the benefit of and be binding upon the parties hereto and any heirs, successors, executors, administrators, and assigns; as fully and to the same extent specifically mentioned in each instance, and every term, covenant, condition, stipulation, and agreement contained in this lease shall extend to and bind any heir, successor, executor, administrator, and assign, all of whom shall be jointly and severally liable hereunder.

CORPORATION OR PARTNERSHIP:

- A. If Lessee is a corporation, this lease is to the corporation as it currently exists. Any dissolution, merger, consolidation, or other reorganization of Lessee, or the sale or other transfer of stock ownership of the corporation, voluntary, involuntary, or by operation of law, greater than ten percent (10%) shall be deemed a voluntary assignment of this lease and, therefore, subject to the provisions of this lease as to voluntary assignment thereof, including that provision requiring Lessor's prior written consent. This paragraph shall not apply to corporations the stock of which is traded through an exchange.

- B. If Lessee is a partnership, this lease is to the partnership as it currently exists. A withdrawal or change, voluntary, involuntary, or by operation of law, of any partner, or the dissolution of the partnership shall be deemed a request to assign this lease and, therefore, subject to the provisions of this lease as to voluntary assignment thereof.

RECORDING: Neither this lease nor a memorandum thereof shall be recorded without Lessor's consent in writing.

BOARD LIMITATION - RENEWAL: Lessee understands and acknowledges that under Article XXII, Section 220, Paragraph 6, of the Los Angeles City Charter, the Board of Water and Power Commissioners has authority to enter into a lease for a maximum term of five years, which is the term of this lease. Said limitation does not prohibit Lessee from negotiating with Lessor for a new lease for the same property upon the expiration of this lease, but Lessor has no obligation in this regard.

COMMUNICATION EQUIPMENT REQUIREMENTS: Communication site uses are subject to the following conditions:

- A. Use of communications equipment is contingent upon the possession of a valid Federal Communications Commission (FCC) authorization, and that the operation of the equipment is in strict compliance with applicable requirements of FCC. A copy of each applicable license or authorization shall be maintained at all times by the Lessee for each transmitter being operated. The Lessee shall provide Lessor, when requested, with current copies of all licenses for equipment in or on facilities covered by this lease.
- B. Lessee shall ensure that equipment within their facility operates in a manner which will not cause harmful interference with the operation of existing equipment on or adjacent to the communications site. If Lessor or an authorized official of the FCC determines that the Lessee's use interferes with existing equipment, the Lessee shall promptly take the necessary steps to eliminate or reduce the harmful interference to the satisfaction of Lessor or the FCC official. Lessee shall be responsible for all costs of such removal or mitigation.
- C. Lessee will furnish technical information concerning the equipment located on the leased premises when requested by Lessor.

GENERAL PROVISIONS: Time is expressly declared to be the essence of each and every term, covenant, condition, and provision of this lease.

The captions of the articles of this lease are for convenience only, and are not part of this lease, and do not in any way limit or amplify the terms or provisions of this lease.

Unless the context shall otherwise require, words herein used in the masculine gender shall include the feminine and neuter, and the singular number shall include the plural and the plural singular.

All provisions of this lease, whether covenants or conditions, on the part of Lessee shall be deemed to be both covenants and conditions.

If any term, covenant, condition, or provision of this lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

SUPERSEDURE: This lease, upon becoming effective, shall supersede and annul any and all permits, leases, or rental agreements heretofore made or issued for the leased premises between Lessor and Lessee, and any such permits, leases, or rental agreements shall hereafter be void and of no effect except as to any rentals, royalties, or fees which may have accrued thereunder.

ENTIRE UNDERSTANDING: This lease contains the entire understanding of the parties, and Lessee, by accepting the same, acknowledges that it supersedes and annuls any writings or oral discussions, statements, understandings, or representations that may have been made concerning the subject matter hereof, and that there is no other written or oral understanding between the parties in respect to the leased premises or the rights and obligations of the parties hereto. No modification, amendment, or alteration of this lease shall be valid unless it is in writing and signed by the parties hereto.

◆ ◆ ◆ ◆ ◆ **END OF TEXT** ◆ ◆ ◆ ◆

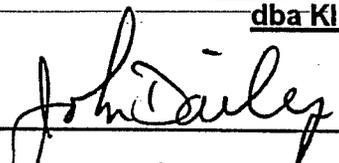
IN WITNESS WHEREOF, the respective parties hereto have executed this lease on the day and year written below.

The signature affixed hereto of the Lessee, or the authorized representative of the Lessee, certifies that Lessee has read and does understand each and every paragraph contained in this lease and agrees to abide by and be bound by same.

Great Country Broadcasting, Inc.
dba KIBS

Date 3-23-04

By


P.O. Box 757
Bishop, CA 93515-0757

LESSEE

DEPARTMENT OF WATER AND POWER OF THE
CITY OF LOS ANGELES

DAVID H. WIGGS
General Manager

Date

3-26-04

By


GERALD A. GEWE

Chief Operating Officer - Water System

LESSOR