

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered this 28th day of February 2002, between Lenora Alexander, a Colorado resident ("Seller"), and Trans-Rockies Radio, LLC, a South Carolina limited liability corporation ("Buyer").

RECITALS

WHEREAS, Seller is the licensee and operator of KAGM-FM, licensed to Strasburg, Colorado (the "Station"), pursuant to licenses issued by the FCC; and

WHEREAS, Seller is the sole successor in interest of KAGM Radio, Inc., a dissolved Colorado corporation ("KRI") and Express Communications, Inc. ("ECI"), a dissolved Colorado corporation ("ECI"), each of which held certain assets pertaining to the Station;

WHEREAS, Seller desires to sell or assign to Buyer the Station and all of the assets, the licenses and authorizing orders of the FCC of Seller related thereto, and Buyer desires to purchase and receive an assignment of the same from Seller, all on the terms and subject to the conditions set forth herein; and

WHEREAS, in order to induce Buyer to enter into this Agreement, Seller is willing to enter into this Agreement and make certain representations and warranties, and covenants and agreements, with Buyer.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I **DEFINITIONS**

As used herein the following terms shall have the following meanings:

1.01 "Closing" shall mean the consummation of the transactions contemplated by this Agreement.

1.02 "Closing Date" shall mean the later of:

(a) Eight months from the date of execution of this Agreement subject to FCC Approval; or

(b) Ten (10) days following receipt of the last required Final Order from any regulatory authority necessary to approve the transaction.

1.03 "FCC" shall mean the Federal Communications Commission.

1.04 "FCC Licenses" shall mean the licenses and authorizing orders which are attached as Schedule 1.04 hereto.

1.05 "Final Order" shall mean an order which is no longer subject to reconsideration or review by any court or administrative body.

1.06 "Station" means broadcast Station KAGM-FM, 102.3 MHz, Strasburg, Colorado.

1.07 "Station Assets" means the property described in Section 2.01 being sold hereunder to Buyer.

ARTICLE II

PURCHASE AND SALE OF STATION ASSETS

2.01 Transfer of Assets. On the terms and conditions here set forth, at the Closing, Seller shall sell, assign, transfer, and convey to Buyer, and Buyer shall purchase and acquire from Seller, all the assets which are used or useful in the operation of the Station (except as hereinafter expressly excluded), free and clear of all liens, charges, pledges, security interests, mortgages or other encumbrances of any nature whatsoever (except as hereinafter expressly permitted), now owned or hereafter acquired and used by Seller or useful in operating the Station, including without limitation the following:

(a) Personal Property. All tangible personal property, whether owned or leased, of Seller or affiliated ownership entities which is used in the operation of the Station, including all broadcasting and office equipment, furniture, furnishings, machinery, installations and fixtures currently used in or needed for such operation, including all replacements and additions thereto between the date of this Agreement and the Closing Date including but not limited to property listed in Schedule 2.01(a);

(b) FCC Licenses. All licenses, permits and authorizations issued by the FCC and necessary to operate the Station and associated facilities, copies of which are attached hereto as Schedule 1.04;

(c) Contracts. All written contracts and agreements set forth on Schedules 2.01(g) and 3.05. (Contracts marked with an asterisk are material contracts). Only contracts listed on Schedules 2.01(g) or 3.05 will be assumed by Buyer;

(d) FCC Reports. Copies of all reports required by the FCC to be maintained by the Seller relating to the operation of the Station, and all books of account, logs and records necessary or useful for the Buyer's operation of the Station;

(e) Station Records. All of Seller's rights in and to all the files, documents, records, and books of account relating to the operation of the Station or to the Station Assets, including, without limitation, the Station's local public file, programming information and studies, blueprints, technical information and engineering data, news and advertising studies or consulting reports, marketing and demographic data, sales correspondence, lists of advertisers, promotional materials, credit and sales reports and filings with the FCC, logs, software programs, to the extent assignable, and books and records relating to employees, accounting and operation matters; but excluding records relating solely to any Excluded Asset (as hereinafter defined). After the Closing, Seller shall have reasonable access to any such data assigned;

(f) Intangible Assets. To the extent assignable, all of Seller's rights in and to the call letters "KAGM" and "KAGM-FM" as well as all of Seller's rights in and to all trademarks, trade names, service marks, franchises, copyrights, including registrations and applications for registration of any of them, computer software, programs and programming material of whatever form or nature, jingles, slogans, the Station's logos and all other logos or licenses to use same, any website developed for the Station and all other intangible property rights of Seller, which are used or useful in connection with the operation of the Station but not limited to those listed in Schedule 3.11 (collectively, the "Intellectual Property"), together with any goodwill and any additions thereto between the date hereof and the Closing Date;

(g) Real Property. Seller will convey to Buyer, with the written consent of the lessor(s) and on terms no less favorable than those in effect on the date hereof, its leasehold interests in the Station's studio building and transmitter site as provided in Schedule 2.01(g);

(h) Programming. All programming materials and elements of whatever form or nature owned by Seller, whether recorded on tape or other medium or intended for performance, and all copyrights owned by or licensed to Seller that are used or useful in connection with the operation of the Station, including all such programs, materials, elements and copyrights acquired by Seller between the date hereof and the Closing Date; and

(i) Warranties. All of Seller's rights under manufacturers' and vendors' warranties relating to items included in the Station Assets and all similar rights against third parties relating to items included in the Station Assets to the extent contractually assignable.

2.02 Excluded Assets. The following are expressly excluded from the Station Assets to be purchased and sold:

(a) Cash on hand as of the Closing Date.

(b) Accounts Receivable of the Station which have accrued and which are earned and payable prior to the date of the Time Brokerage Agreement ("TBA")

described in Section 6.09 below, provided, however that Seller shall be responsible for any commission payable associated with those accounts.

2.03 Liabilities.

(a) The Station Assets shall be sold and conveyed to Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively "Liens") except: (i) liens for real estate and personal property taxes not yet due and payable for which Buyer receives a Purchase Price adjustment under Section 2.07; and (ii) the post-Closing obligations of Seller which Buyer will assume under leases, contracts, including items of leased equipment, assigned to Buyer that are listed on Schedules 2.01(a), 2.01(g) and 3.05 ("Permitted Encumbrances").

(b) Except as otherwise specifically provided herein or in the Time Brokerage Agreement, Buyer shall not assume or be liable for, and does not undertake to attempt to assume or discharge: (i) any liability or obligation of Seller arising out of or relating to any contract, lease agreement, or instrument not assumed by Buyer or arising prior to the Closing Date ; (ii) any liability or obligation of Seller arising out of or relating to any employee benefit plan otherwise relating to employment, including the payment of all accrued benefits, severance pay and all bonuses, whether or not such benefits or bonuses are due as of the Closing Date; (iii) any liability or obligation of Seller arising out of or relating to any litigation, proceeding or claim (whether or not such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date) arising from Seller's operation of the Station prior to the Closing Date; (iv) any other liabilities, obligations, debts or commitments of Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown; or (v) any claims asserted against the Seller, the Station or any of the Station Assets relating to any event (whether act or omission) prior to the Closing Date including, without limitation, the payment of all taxes.

(c) Buyer shall in no event assume any liabilities or obligation arising: (i) from the assignment to Buyer of any Contract in violation of its terms, or (ii) from any other breach or default by Seller upon or prior to Closing under any Contract.

(d) Seller retains and shall hereafter pay, satisfy, discharge, perform and fulfill all obligations and liabilities not expressly assumed by Buyer hereunder as they become due, without any charge or cost to Buyer, and Seller agrees to indemnify and hold Buyer and its successors and assigns harmless from and against any and all such liabilities in accordance with the terms of Article XI.

2.04 Purchase Price, Terms of Payment. Security. The purchase price (the "Purchase Price"), as the same may be adjusted pursuant to this Agreement, shall be a total of Three Million Dollars (\$3,000,000) to be paid in cash or by wire transfer of immediately available funds at Closing.

2.05 Escrow Deposit.

(a) Initial Deposit. On November 9, 2001, Buyer, Seller and Reddy, Begley & McCormick, LLP, as Escrow Agent (the "Escrow Agent") entered into an Escrow Agreement (the "Escrow Agreement") pursuant to which Buyer deposited Ten Thousand Dollars (\$10,000.00) (the "Initial Deposit") against the Purchase Price.

(b) Within two (2) business days of the full execution of this Agreement, Buyer shall deliver to Escrow Agent an irrevocable standby Letter of Credit with Bank of America in favor of Seller, in form and substance as set forth in Schedule 2.05(b), in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) (the "Further Deposit"). (The Initial Deposit and the Further Deposit collectively referred to herein as the "Escrow Deposit".)

(c) The Escrow Deposit shall be held and distributed pursuant to the terms of this Agreement and Escrow Agreement. In the event this Agreement is terminated solely because of Buyer's Material Breach (as defined herein) of this Agreement and Seller shall not at such time be in Material Breach of this Agreement, the Escrow Deposit and any interest accrued thereon shall be paid to Seller as liquidated damages as provided in Section 10.2. In the event this Agreement is terminated under any circumstances other than those set forth in the immediately preceding sentence, the Escrow Deposit and any interest accrued thereon shall be paid to Buyer.

2.06 Closing. The Closing shall take place at a mutually acceptable location agreed by Buyer and Seller prior to the Closing Date.

2.07 Closing Date Adjustments.

(a) Generally. The income and expenses attributable to the operation of the Station up to 12:01 a.m. on the Closing Date (the "Adjustment Time") shall, except as otherwise expressly provided in this Agreement or in the Time Brokerage Agreement, be for the account and benefit of Seller and thereafter shall be for the account and benefit of Buyer. Income and expenses such as power and utility charges, lease rents, prepaid agreements, wages, commissions, property taxes, and similar prepaid and deferred items shall be prorated between Seller and Buyer as of the Adjustment Time. Revenues, expenses, taxes, costs and liabilities earned or incurred in connection with particular programs and announcements, shall be allocated to the time of performance of such programs and announcements without regard to the date of payment therefore. If any taxes and/or fees, including but not limited to property taxes and FCC annual regulatory fees, are not known at the Closing Date, they shall be prorated as of the Adjustment Time on the basis of taxes and fees assessed for the preceding year. All other prorations shall, to the extent feasible, be determined and set forth in a writing executed by the parties hereto and paid on the Closing Date, with a final settlement thereof to be made within 90 days after the Closing Date.

(b) Disputes. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in Section 2.07(a) and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer.

(c) Trade Agreements. There are currently no Trade Agreements and at Closing there shall exist no obligation of the Station to air announcements or programming under trade, barter or other agreements ("Trade Agreements ") executed by Seller pre-Closing except for a trade or barter agreements listed on Schedule 3.05.

(d) Equipment Repair or Replacement. The Purchase Price shall be adjusted to the extent that Buyer, with the prior written consent of Seller (which consent shall not be unreasonably withheld or delayed) advances funds necessary to replace or overhaul any item of the Station's current broadcast equipment that fails between the date of this Agreement and the Closing, *provided*, however, that any item of replacement equipment for which an adjustment to the Purchase Price is taken shall be of comparable quality and functionality as the item replaced. The Purchase Price shall not be adjusted to reflect the cost of additional or upgraded items of equipment Buyer chooses to acquire during the term of the TBA for use at the Station.

2.08

ARTICLE III

SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

3.01 Status Seller has the requisite power to carry on the business of the Station as it is now being conducted to own and operate the Station, and Seller has the requisite power to enter into and complete the transactions contemplated by this Agreement (the "Subject Transactions"). Other than the corporate name of KRI and ECI, Seller has not used any name in the operation of its business other than its name as first set forth above and the Station's call letters and positioners. KRI and ECI were dissolved by action of the Colorado Secretary of State. At the time of such dissolution, Seller was the sole stockholder of KRI and ECI.

3.02 Authorization for Transaction and Binding Nature of Obligation This Agreement is the valid and binding obligation of Seller enforceable against Seller in accordance with its terms, and Seller has full power and authority to enter into this Agreement.

3.03 Station Assets. Except as set forth on Schedules 2.01(a) and/or 3.07, Seller has good title to the Station Assets and on the Closing Date, Seller will sell, assign or transfer to Buyer good and marketable title, free and clear of any Lien, the Station Assets, except for Permitted Liens. As of Closing, Seller will own all tangible personal property necessary for the conduct of the operation and business of the Station as

presently conducted and as presently proposed to be. The equipment included in tangible personal property of Seller is serviceable and in a good state of repair and operating condition (ordinary wear and tear excepted), is adequate and suitable in accordance with general industry practice for its current and intended use, is available for immediate use in the conduct of the business or operation of the Station, and, to Seller's knowledge, complies in all material respects with all applicable rules and regulations of the FCC, and all other applicable laws, rules, regulations and ordinances, is not in need of material repair or replacement.

3.04 FCC and Other Authorizations. Seller is the holder of the FCC Licenses which are the only FCC authorizations issued to and used by Seller in connection with or necessary for the operation of the Station as it is currently operated and there is no action or proceeding, pending or threatened, before the FCC or otherwise, for the cancellation or modification of any of the FCC Licenses and authorizations (other than proceedings of a general nature affecting the radio broadcasting industry. The FCC Licenses are in full force and effect, unimpaired by any acts or omissions of Seller or Seller's employees or agents, except as indicated in Schedule 3.04. The FCC Licenses are free and clear of any restrictions other than restrictions and conditions appearing on such FCC Licenses or imposed under the FCC Rules and Regulations on broadcast stations of the same class and type as the Station. Seller possesses all permits, certificates, licenses, approvals, and other authorizations from all governmental agencies necessary to carry on the business of the Station and to own and operate the Station Assets at the places and in the manner in which the business of the Station is now being, or is authorized to be, conducted. Except as indicated in Schedule 3.04, to Seller's knowledge, no condition exists or event has occurred that permits, or after notice or lapse of time, or both, would permit, the revocation or termination of any such license (FCC or otherwise), permit, consent, franchise, or authorization (other than pursuant to their express expiration date) or the imposition of any material restriction or limitation upon the operation of the Station as now conducted. Seller is not aware of any reason why the FCC Licenses might not be renewed in the ordinary course or revoked. The Station is in compliance with the FCC's policy on exposure to radio frequency radiation. No renewal of any FCC License would constitute a major environmental action under the FCC's rules or policies. Access to the Station's transmission facilities is restricted in accordance with the policies of the FCC. Seller is not the subject of any FCC or other governmental investigation or any notice of violation, forfeiture or order, or any material complaint, objection, petition to deny, or opposition issued by or filed with the FCC or any other governmental authority in connection with the operation of or authorization for the Station, and, to Seller's knowledge, there are no proceedings (other than rule making proceedings of general applicability) before the FCC or any other governmental authority that could adversely affect any of the FCC Licenses. Prior to Closing Seller will have filed with the FCC and all other governmental authorities having jurisdiction over the Station all material reports, applications, documents, instruments, fees and/or other information required to be filed.

3.05 Contracts. Schedule 3.05 lists all contracts to which Seller is a party, including oral contracts and Trade Agreements, which are binding on Seller, as of the

date of this Agreement and are to be assumed by Buyer and assigned by Seller. Seller has provided to Buyer a true and correct copy of such contracts. Each of the contracts is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization, or other similar laws related to or affecting the enforcement of creditor's rights generally). Seller has performed its obligations under each of the contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to any of the contracts is in default thereunder in any material respect. Those contracts requiring the consent of a third party to assignment are identified in Schedule 3.05. Subject to obtaining any - necessary third party consents, neither the execution and delivery of this Agreement nor the performance hereof shall constitute a default under or breach of any contract, lease or other commitment or restriction of any kind to which Seller is bound. Buyer shall have no responsibility for any contract not listed as Schedule 3.05.

3.06 Absence of Conflicting Agreements or Required Consents. Except as set forth in Section 11.02 with respect to governmental consents and in Schedule 3.05 with respect to consents required in connection with the assignment of certain contracts, the execution, delivery and performance of this Agreement by Seller: (a) does not require the consent of any third party (including, without limitation, the consent of any governmental, regulatory, administrative or similar authority); (b) will not conflict with, result in breach of, or constitute a violation of or default under, the provisions of Seller's articles of organization or operating agreement (or other charter documents) or any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Seller is a party or by which Seller, or any of the Station Assets are bound; (c) will not either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of terms, conditions or provision of, or constitute a default under, any contract, agreement, instrument, license or permit to which Seller or any of the Station Assets is now subject; and (d) will not result in the creation of any lien, charge or encumbrance on any of the Station Assets.

3.07 Judgments and Litigation. As of closing, there shall be no unsatisfied judgment, order, decree, stipulation, injunction, or charge outstanding and no litigation, proceeding or dispute pending or threatened which materially adversely affects, the Station, the title or interest of Seller in or to the Station or the Station Assets, or its power or right to sell, convey, transfer or assign the same to Buyer as herein provided, or which could prevent or materially adversely affect the operation and use of the same by Buyer. There is no bankruptcy proceedings, and governmental investigations, pending or, to Seller's knowledge, threatened, pertaining to the Station or the Station Assets. Any pending litigation and/or unsatisfied judgment, order, decree, stipulation, injunction or charge pertaining to the Station or Seller is disclosed in Schedule 3.07.

3.08 Employees; Labor Matters. Seller is not a party to any collective bargaining agreement affecting the Station and no employment discrimination complaints are pending with respect to the persons currently or formerly employed by Seller in connection with its operation of the Station and, to Seller's knowledge, none is

threatened. Seller has not experienced any work stoppage or labor dispute with respect to the Station.

3.09 Personnel Information. Schedule 3.09 contains a true and complete list of all persons employed at the Station, including date of hire, a description of material compensation arrangements and a list of other terms of any and all agreements affecting such persons and their employment by Seller. Seller understands that Buyer may hire some or all of the current employees of the Station. Notwithstanding the foregoing, Buyer shall have no obligation to hire any of Seller's employees and shall have no liabilities of any kind in connection with any such employees arising from their employment by Seller. Any employees hired by Buyer shall enter into a new employment relationship with Buyer subject to terms and conditions established by Buyer and Buyer shall have no responsibility for any payroll taxes, accrued vacation pay, fringe benefits or other prepaid or deferred obligations for any employee of Seller who enters into the employment of Buyer arising from any period before such employee enters into an employment relationship with Buyer.

3.10 Call Letters, Trademarks and Trade Names. Seller owns or otherwise has the full and exclusive right to use all, and no claims have been asserted or threatened by any person concerning the use by Seller of any, call letters, trademarks, trade names, slogans, emblems and logos to be transferred to Buyer hereunder.

3.11 Intellectual Property. Except as indicated in Schedule 3.11, to Seller's knowledge, Seller owns or has the right to use pursuant to license, sublicense, agreement or permission all Intellectual Property necessary for the operation of the businesses of Seller as presently conducted and as presently proposed to be conducted. Schedule 3.11 is a true and complete list of all Intellectual Property applied for, registered or issued to, and owned by Seller or under which Seller is a licensee and which is used in the conduct of the Seller's business and operations of the Station, except for the Intellectual Property included in Schedule 2.01(a).

(a) Seller's right, title and interest in the Intellectual Property as owner or licensee, as applicable, is free and clear of all liens, claims, encumbrances, rights, or equities whatsoever of any third party and, to the extent any of the Intellectual Property is licensed to Seller, such interest is valid and uncontested by the licensor thereof or any third party;

(b) All computer software located at any of Seller's premises and used in Seller's business or operation of the Station is properly licensed to Seller, and all of Seller's uses of such computer software are authorized under such licenses;

(c) To the extent assignable, all of Seller's right, title and interest in and to the Intellectual Property and computer software shall be assigned to Buyer at Closing, and upon such assignment, Buyer shall receive complete and exclusive right, title, and interest in and to all tangible and intangible property rights existing in the Intellectual Property; and

(d) Seller has never received any charge, complaint, or notice alleging that it has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties. To Seller's Knowledge, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of Seller.

3.12 Other Agreements. No person, organization or party, other than the Buyer, has any option or contract which could entitle it to purchase or otherwise acquire the Station or the Station Assets, in whole or in part.

3.13 Environmental. Except as set forth in Schedule 3.13, to Seller's knowledge, no hazardous or toxic waste, substance or waste regulated under applicable environmental, health, or safety law has been generated, stored, transported or released on, in, from or to the Seller's leased Real Property. To Seller's knowledge, Seller has complied in all material respects with all environmental, health and safety laws applicable to the Station. Except as disclosed on Schedule 3.13, there are no underground storage tanks, whether in use or closed, on or under the Seller's leased Real Property. Seller is in compliance in all material respects with all environmental, health and safety laws, and all FCC requirements pertaining to RF radiation and has obtained all environmental, health and safety permits necessary for the operation of the Station, all such permits are in full force and effect, and Seller is in compliance in all material respects with the terms and conditions of all such permits. Except as disclosed in Schedule 3.13, neither Seller nor, to Seller's knowledge, any present or former owner or operator of the leased Real Property occupied by Station has been identified as a potentially responsible party for clean up liability, and Seller has not received any notice, nor does Seller have any knowledge of any administrative or judicial investigation, proceedings or actions with respect to violations, alleged, or proved, of any environmental, health and safety laws involving Seller's leased Real Property. All equipment located at the leased Real Property occupied by the Station that contains polychlorinated biphenyls (PCBs) is properly labeled. A complete list of all equipment containing PCBs is set forth in Schedule 3.13.

3.14 Leasehold Interests. Seller owns no real property that is used in the operation of the Station or included in the Station Assets. Schedule 2.01(g) contains a complete and accurate description of all leasehold interests in Real Property used by Seller in the operation of the Station that are to be assigned and transferred to Buyer pursuant to this Agreement at the Closing the ("Real Property"). The Real Property constitutes all of the real property interests relating to the transmitter and studio/office locations used by Seller in connection with the operations of the Station. The leases for Real Property listed on Schedule 2.01 (g) are in full force and effect and are valid, binding and enforceable in accordance with their terms. Seller enjoys quiet possession of all leased Real Property, has not received notice of any default under such lease which remains uncured and, to Seller's knowledge, is not in default under any such lease nor is any other party thereto. Seller has no knowledge of any existing or current disputes or claims with respect to offsets or defenses by any party against the other under any of the

leases. Subject to obtaining the consent of the lessor, the assignment of the leases to Buyer will not constitute a default thereunder. All appurtenances to and improvements on the leased Real Property and used in the operation of the Station are in good operating condition and repair, ordinary wear and tear excepted, and have been maintained by Seller consistent with its past practices and in a manner consistent with generally accepted standards of good engineering practice. To Seller's knowledge, all of the buildings, structures, improvements or fixtures constructed on the leased Real Property, including all towers, guy wires and guy anchors and ground radials, are contained entirely on the leased property. Seller has adequate rights of ingress and egress directly from public streets. Such access rights are now, and on the Closing Date will be, in full force and effect and enforceable by Buyer. Buyer has telephone and electric service for the conduct of the business and operations of the Station as presently conducted. Well water and a septic tank are utilized at the studio site. To Seller's knowledge, the leased Real Property, and any use, structure or structures thereon, is not, and as of the Closing Date will not be in violation in any material respect of any zoning or environmental regulations, ordinances, orders, laws or requirements of any federal, state or local governmental authority. To Seller's knowledge, Seller's operation of the Station complies in all material respects with all other federal, state and local laws, statutes, ordinances, rules, regulations and orders of any governmental authority.

3.15 Insurance. The Station Assets and the operation of the Station are insured against loss, damage or injury in amounts customary in the broadcast industry. Each such insurance policy is legal, valid, binding, and enforceable and in full force and effect.

3.16 Taxes. Except as indicated in Schedule 3.16, Seller has duly, timely, accurately and in the required manner filed all federal, state, local and foreign income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid. No event has occurred which could impose on Buyer any liability for any taxes, penalties, or interest due or to become due from Seller from any taxing authority. No audit by any taxing authority affecting Seller or any of the Station Assets is pending or threatened. Except as indicated in Schedule 3.16, no Tax deficiencies have been proposed or assessed against Seller.

3.17 Employee Benefit Plans. Seller in connection with the Station is not a party to or bound by any employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not such plan is otherwise exempt from the provisions of ERISA, and no employee or spouse of an employee is entitled to any benefits that would be payable pursuant to any such plan. Seller in connection with the Station has no fixed or contingent liability or obligation to any person now or formerly employed at the Station, including without limitation, pension or thrift plans, individual or supplemental pension or accrued compensation arrangements, contributions to hospitalization or other health or life insurance programs, incentive plans, bonus arrangements and vacation, sick leave, disability and termination arrangements or policies, including workers' compensation policies. Buyer shall not assume or hereby become obligated to pay any debt, obligation

or liability arising from Seller's employee benefit plans, or any other employment arrangement and coverage under such plans and arrangements shall remain the responsibility of Seller.

3.18 Personal Property. Schedule 2.01(a) contains a list of all material items of tangible personal property owned by Seller and used in the conduct of the business and operations of the Station. Schedule 2.01(a) also separately lists any material tangible personal property leased by Seller pursuant to leases. Except as disclosed in Schedule 2.01(a), Seller has, and following the Closing, Buyer will have, good and marketable title to all of the Station Assets and none of the Station Assets as of the Closing will be subject to any Liens or title defects, except for liens for taxes not yet due and payable. The assets listed in Schedule 2.01(a) subject to lease and included among the Contracts, constitute all material tangible personal property necessary to operate the Station as the same is now being operated. All items of tangible personal property included in the Station Assets are in good and technically sound operating condition and repair, are free from all material defects and damages, are suitable in accordance with general industry practice for their intended purpose and the purpose for which they are now being used, and have been maintained in a manner consistent with generally accepted standards of good engineering practice. To Seller's knowledge, all of the tangible personal property included in the Station Assets complies in all material respects with all applicable rules and regulations of the FCC, and all other applicable laws, rules, regulations and ordinances, and is available for immediate use in the conduct of the business or operation of the Station.

3.19 Events Subsequent to October 15, 2001. Since October 15, 2001, except as set forth in Schedule 3.19, there has not been any material adverse change in the Station Assets of Seller with respect to the Station. Without limiting the generality of the foregoing and with respect to the operation of the Station since October 15, 2001, except as set forth in Schedule 3.19: (i) other than this Agreement, Seller has not entered into any agreement, contract, lease, sublease, license, or sublicense (or series of related agreements, contracts, leases, subleases, licenses, and sublicenses) outside the ordinary course of business; (ii) Seller has not delayed or postponed (beyond its normal practice in the ordinary course of business) the payment of accounts payable and other Liabilities; (iii) Seller has not altered its credit and collection policies or its accounting policies; (iv) there has not been any other transaction outside the ordinary course of business involving Seller; (v) Seller has not materially altered the programming, format or call letters of the Station, or its promotional and marketing activities; (vi) Seller has not applied to the FCC for any modification of the FCC Licenses or failed to take any action necessary to preserve the FCC Licenses and has operated the Station in material compliance therewith and with all FCC rules, regulations and policies; and (vii) except as disclosed on Schedule 3.19, Seller has not terminated or received notice of termination for any syndicated programming.

3.20 Brokers' Fees. No agent, broker, or other person or firm acting on behalf of or under the authority of Seller is or will be entitled to any broker's or finder's fee or

any other commission or similar fee, directly or indirectly, from Seller in connection with the Subject Transactions.

3.21 No Untrue Statements or Omissions. No statement, representation or warranty set forth in this Agreement relating to Seller, the Station or the Station Assets or any other document, Schedule, Exhibit or other information furnished by Seller to Buyer in connection with the negotiation, execution, delivery, performance of this Agreement and/or consummation of the Subject Transactions contains or will contain any untrue statement(s) nor omits or will omit to state any material fact necessary to be stated in order to make the statement, in light of the circumstances in which it is made and subject to the conditions under which it is made, not misleading.

ARTICLE IV **COVENANTS OF SELLER AND BUYER**

4.01 Affirmative Covenants of Seller. From the date hereof until the Closing Date, Seller shall:

(a) Subject to the TBA, afford Buyer and its representatives the opportunity at all reasonable times, following reasonable notice, to inspect the operation of the Station, to meet with the Station management personnel, to be notified of any change in methods or policies by or pursuant to which the Station are operated and to list and itemize its equipment and personal property and determine the conditions of the assets of Seller and the Station Assets; review its books and records pertaining to the Station and all contracts, licenses and leases relating to the Station at the Station's office; and, at all reasonable times, following reasonable notice, permit Buyers' representatives to inspect such records and documents.

(b) Comply with all of its material contractual undertakings, perform all of its material duties and obligations under all contracts to which it is bound and otherwise cooperate to make available to Buyer, by assignment at Closing, the rights of Seller under such contracts as Buyer shall assume hereunder or pursuant to the Assumption Agreement, the form of which is attached hereto as Schedule 4.01(b), it being understood, however, that Buyer shall not be obligated to assume any contractual obligations of Seller other than Seller's obligations under the contracts which Buyer shall assume hereunder;

(c) Maintain in full force and effect and in good standing the FCC Licenses and comply in all material respects with all requirements of the FCC and any other agencies having jurisdiction over Seller or the Station or Station Assets;

(d) Maintain insurance coverage in force with respect to the Station and the Station Assets at least equivalent to that currently in effect, all such policies are attached as Schedule 4.01(d) hereto;

(e) Fully maintain and keep in good condition and repair in all material respects, normal wear and tear excepted, all tangible property in use at the Station's studio and transmitter sites and/or included in the Station Assets;

(f) Fully and actively cooperate with Buyer in proceedings instituted to obtain the approval of the FCC to this transaction; and

(g) Except as provided for in the TBA, generally conduct its business in the ordinary course consistent with past practices.

(h) Use reasonable efforts to ensure that the conditions set forth in Article VI hereof are satisfied, including obtaining all third party consents necessary to assign the contracts and leases listed on Schedule 3.05 to Buyer.

(i) Seller agrees to cooperate with Buyer to facilitate the filing and grant of applications or proposals with the FCC seeking to modify the facilities of KAGM-FM, including but not limited to a proposal to move the KAGM-FM tower site, by (i) providing written consent to the submission of such applications or proposals by Buyer, and providing any additional information reasonably requested by the FCC; (ii) interposing no objection to such applications, proposals or other filings of Buyer; and to permit Buyer to submit applications or proposals, if desired, during the period while the Assignment Application is pending before the FCC. It is expressly understood and agreed that: (a) Buyer's obligation to close the Subject Transactions is not contingent upon the grant of any such application or proposal, and (b) under no circumstances shall the KAGM-FM transmitter site or any other changes to the Station's facilities desired by Buyer be undertaken prior to the Closing without Seller's prior consent.

(j) Promptly notify Buyer in writing if it determines, or has reasonable grounds to believe, that any representation, warranty or covenant of Buyer or Seller is no longer accurate in all material respects.

4.02 Negative Covenants of Seller. From the date hereof until the Closing Date, Seller shall not without obtaining the prior written consent of Buyer:

(a) Sell, assign, lease or otherwise transfer or dispose of any property or equipment included in the Station Assets outside of the ordinary course of business and consistent with past practice, unless property or equipment of equivalent value and utility is substituted therefore;

(b) Acquire any additional equipment or property having an aggregate cost in excess of \$5,000 or acquire any additional program rights or enter into any contract(s) therefore having an aggregate cost in excess of \$1,000, provided that the foregoing shall not apply to the scheduled renewal of any contract Buyer has agreed to assume at hereunder;

(c) Enter into any other contracts or agreements other than in the ordinary course of business and consistent with past practice, or increase the ordinary compensation payable or to become payable to any employee or agent, except in the ordinary course of business and consistent with past practice or make any amendment or changes to existing contracts or agreements other than in the ordinary course consistent with past practice;

(d) Seller shall not (i) solicit, initiate, or encourage the submission of any proposal or offer from any person relating to any (A) merger or consolidation, (B) acquisition or purchase of securities or assets, or (C) similar transaction or business combination involving the Station, or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any person to do or seek any of the foregoing.

4.03 Covenants of Buyer. From the date hereof until the Closing Date, Buyer shall do the following:

(a) Take no action that would impair its qualifications to be the licensee of the Station or materially delay obtaining FCC consent to the assignment of the FCC Licenses;

(b) Fully and actively cooperate with Seller in proceedings instituted to obtain the approval of the FCC to this transaction;

(c) Cooperate with Seller in obtaining any third party consents that are required in order to assign any assumed contract to Buyer, including providing any information reasonably requested by any such third party; and

(d) Promptly notify Seller in writing if it determines, or has reasonable grounds to believe, that any representation, warranty or covenant of Buyer or Seller is no longer accurate in all material respects.

ARTICLE V **BUYER'S COVENANTS, REPRESENTATIONS AND WARRANTIES**

Buyer covenants, represents and warrants with and to Seller as follows:

5.01 Organization and Standing. Buyer is a Limited Liability Corporation duly organized, and validly existing, and at Closing will be in good standing under the laws of the State of South Carolina with full corporate power and authority (i) to carry on its respective businesses and own and lease its respective assets as and where such businesses are now being conducted and such assets are now owned and leased and (ii) to execute, perform and carry out its respective obligations under this Agreement according to its terms.

5.02 Authorization. The execution and delivery of this Agreement and the Documents by Buyer and the acceptance by Buyer of the sale, conveyance, transfer and assignment of the Station Assets to Buyer as herein provided, will be duly authorized and approved on behalf of Buyer as required by Buyer's Certificate of Organization and Operating Agreement and by applicable law or otherwise. This Agreement is the binding obligation of Buyer enforceable against Buyer in accordance with its respective terms.

5.03 Buyer Qualifications. Buyer is legally, technically and financially qualified to be the assignee of the FCC Licenses and the owner and operator of the Station under the Communications Act of 1934, as amended (the "Communications Act") and the rules, regulations and policies of the FCC without requesting a waiver of such rules, regulations and policies.

5.04 Satisfaction of Conditions. Buyer shall use its best efforts to insure that the conditions set forth in Article VII hereof are satisfied.

5.05 Absence of Conflicting Agreements or Required Consents. Except as set forth herein with respect to governmental consents, the execution, delivery and performance of this Agreement by Buyer: (a) does not conflict with the provisions of the Articles of Organization or Operating Agreement; (b) does not require the consent of any third party not affiliated with Buyer; (c) will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Buyer is bound; and (d) will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement, instrument, license or permit to which Buyer is now subject.

5.06 Litigation. There is no claim, litigation, proceeding or investigation pending or, to the best of Buyer's knowledge, threatened against Buyer, that could materially adversely affect Buyer's ability to perform its obligations pursuant to this Agreement. Buyer is not in material violation of any law, regulation, or ordinance or any other requirement of any governmental body or court which could have a material adverse effect on Buyer's ability to perform its obligations pursuant to this Agreement.

5.07 Commissions or Finder's Fees. Buyer is represented by American Media Services, LLC ("AMS") whose brokerage commission will be paid by Buyer at time of Closing. Seller is not obligated to AMS or any other broker. No agent, broker or other person or firm, other than AMS, acting on behalf of or under the authority of Buyer, is or will be entitled to any broker's or finder's fee or any other fee or commission or similar fees, directly or indirectly from Buyer in connection with the Subject Transactions.

ARTICLE VI

CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

The obligation of Buyer to consummate the Subject Transactions shall be subject to the following conditions precedent, which may be waived by Buyer in writing:

6.01 Representations and Warranties. All of Seller's representations and warranties set forth herein, or in any Exhibit, Schedule or document, shall, at the time of Closing, be true and accurate in all material respects as if made on and as of the Closing Date unless another date is set forth in a particular representation or warranty.

6.02 Performance. Seller shall have performed and complied in all material respects with all agreements, obligations, covenants and conditions required by this Agreement to be performed or complied with it on or prior to the Closing Date, including delivering documents set forth in Section 8.1, and such other documents as Buyer and its counsel may reasonably request in order to consummate the Subject Transactions.

6.03 FCC Licenses.

(a) The FCC Licenses shall be in full force and effect, except as such FCC Licenses may be modified as requested by Buyer pursuant to an application(s) filed by or with the consent of the Seller and there will not otherwise have been any material adverse change, actual or threatened, in the terms of such FCC Licenses or the operations authorized thereunder, except for changes, actual or threatened, as a result of any FCC proceeding of a general nature affecting the radio broadcast industry;

(b) Seller shall be operating the Station, subject to the TBA, substantially in accordance with the terms of the FCC Licenses; and

(c) The FCC shall not have instituted any proceeding or otherwise taken action which could result in any material adverse change in the terms of the FCC Licenses other than FCC proceedings affecting the radio broadcast industry generally or actions or proceedings resulting from submissions made by Buyer as provided for in Section 4.01(i).

6.04 Consents and Approvals. Each person, firm or corporation, the consent or approval of which is required and has been designated by Buyer as "material" to permit the sale, conveyance, transfer and assignment of the Station Assets or any material part thereof shall have duly consented to or approved such sale, conveyance, transfer and assignment, unless Buyer has waived this requirement in a specific instance.

6.05 Other Certificates. Seller shall have furnished Buyer with such certificates of governmental authorities or of others to evidence compliance with the conditions set forth in this Article VI as may be reasonably and timely requested by Buyer.

6.06 Assignment of FCC Licenses. The FCC shall have authorized the assignment of the FCC Licenses to Buyer (the "Assignment"), such authorization shall

not be subject to any conditions that are materially adverse to Buyer and such authorization shall have become a Final Order, unless Seller and Buyer shall elect to close earlier following issuance of FCC authorization.

6.07 No Adverse Change. No material or adverse change or destruction of the Station Assets shall have occurred or be threatened to occur.

6.08 Third Party Consents. Seller shall have obtained and shall have delivered to Buyer all third-party consents that may be required for assignment of Contracts to be assumed by Buyer listed on Schedules 3.05 and 2.01(g) and designated by Buyer and Seller as “material” without any condition materially adverse to Buyer.

6.09 No Litigation Pending. Except as set forth in Schedule 3.07, no litigation shall be pending against Seller, the Station, KCI or ECI, and all pending litigation against Seller, the Station, KCI or ECI shall be dismissed in connection with the Closing.

6.10 Delivery of Seller's Documents. Seller shall have delivered the documents required of it by Section 8.01.

6.11 Time Brokerage Agreement. Upon execution of the Agreement, Buyer and Seller shall enter into a separate TBA which shall cover the period from execution of this Agreement to Closing. The TBA shall provide, among other things, that Buyer shall pay Seller a monthly fee of Two Thousand Dollars (\$2,000.00) and reimburse Seller for operational expenses of the Station.

ARTICLE VII **CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS**

The obligations of Seller to consummate the Subject Transactions shall be subject to the following conditions precedent:

7.01 Representations and Warranties. All of Buyer's representations and warranties set forth herein shall, at the time of Closing, be true and accurate in all material respects as if made on and as of the Closing Date.

7.02 Performance. Buyer shall have performed and complied in all material respects with all agreements, obligations, covenants and conditions required by this Agreement to be performed or complied with on or prior to the Closing Date.

7.03 Assignment of FCC Licenses. The FCC shall have authorized the assignment of the FCC Licenses to Buyer, such authorization shall not be subject to any conditions that are materially adverse to Seller and such authorization shall have become a Final Order, unless Buyer and Seller shall elect to close earlier following issuance of FCC authorization.

7.04 Certificates. Buyer shall have furnished Seller with such certificates of the respective officers of Buyer or certificates of governmental authorities or of others to evidence compliance with the conditions set forth in this Article VII as may be reasonably and timely requested by Seller.

7.05 Delivery of Buyer's Documents. Buyer shall have delivered the documents required of it by Section 8.02.

ARTICLE VIII **DOCUMENTS TO BE DELIVERED AT CLOSING**

8.01 Seller's Documents. At the Closing, Seller shall deliver or cause to be delivered to Buyer the following:

(a) A certificate, dated as of the Closing Date, from Seller, executed by Seller after due inquiry, to the effect that:

(i) The representations and warranties of Seller contained in the Agreement are true and complete in all material respects on and as of the Closing Date as if made on and as of that date; and

(ii) Seller has complied with or performed in all material respects all terms, covenants and conditions to be complied with or performed by it on or prior to the Closing Date.

(b) The sworn declaration of Seller that she was the sole stockholder, officer and director of KRI and ECI at the time each was dissolved and that she, in her own name and in the name of KRI and ECI, is conveying to Buyer as of Closing all interests that KRI and ECI may have in the Station Assets;

(c) Instruments of conveyance and transfer, in form and substance reasonably satisfactory to Buyer, effecting the sale, transfer, assignment and conveyance of the Station Assets to Buyer, including: (i) assignment of the FCC Licenses; (ii) bills of sale for all Personal Property; (iii) assignments of the contracts to be assigned hereunder, including any necessary third party consents; and (iv) assignments of all intangible personal property including the Station's call signs, all books, records, logs and similar assets;

(d) At the time and place of Closing, originals and all copies of all program, operations, transmission or maintenance logs and all other records required to be maintained by the FCC with respect to the Station, including the public file(s) of the Station, shall be left at the Station and thereby delivered to Buyer;

(e) The written opinion of Seller's counsel, dated as of the Closing Date, that (1) that based upon Seller's declaration provided pursuant to Section 8.01(b), Seller has the power and authority, in her own name and in the name of KRI and ECI, to convey to Buyer all interests that KRI and ECI may have in the Station Assets; (2) to the knowledge of counsel, no suit, action or proceeding is pending or threatened that questions or may affect the validity of any action to be taken by Seller pursuant to this Agreement or that seeks to restrain Seller from carrying out the transactions provided for herein; (3) to the knowledge of counsel, except for any judgments to be satisfied and released as of Closing, there is no outstanding judgment or any suit, action or claim pending, threatened or deemed by counsel to be probable of assertion, or any governmental proceeding or investigation in progress that could reasonably be expected to have a material adverse effect upon the assets to be conveyed hereunder or the Station after Closing;. (4) Seller validly holds the FCC Licenses, each of which is in full force and effect; (5) the FCC Licenses are not subject to any conditions other than those shown on the face of the FCC Licenses or imposed under the rules of the FCC on radio Station of the same class and type as the Station; (6) the FCC has granted the Assignment Application and such order has become a Final Order (unless the condition on finality has been waived as permitted herein); and (7) there are no proceedings pending or, to such counsel's knowledge, threatened by or before the FCC affecting or relating to any of the Station or the FCC Licenses;

(f) Such additional information, materials, agreements, documents and instruments as Buyer and its counsel may reasonably request in order to consummate the Closing; and

8.02 Buyer's Closing Deliveries. At the Closing, Buyer shall deliver or cause to be delivered to Seller the following:

(a) A certificate of Buyer, dated the Closing Date, from Seller, executed by Seller after due inquiry, to the effect that:

(i) The representations and warranties of Seller contained in the Agreement are true and complete in all material respects on and as of the Closing Date as if made on and as of that date; and

(ii) Seller has complied with or performed in all material respects all terms, covenants and conditions to be complied with or performed by it on or prior to the Closing Date.

(b) The Purchase Price in accordance with Section 2.04 hereof;

(c) Governmental certificates showing that Buyer is a limited liability company in good standing in South Carolina and is qualified to do business in Colorado.

(d) The written opinion of Buyer's company counsel, dated as of the Closing Date, that (1) based solely on the certificate of good from the State of South Carolina, Buyer is a limited liability company duly formed and in good standing in the State of South Carolina; (2) all company actions necessary for Buyer to purchase the Station and the Station Assets pursuant to this Agreement have been duly and properly taken.

(e) Such additional information, materials, agreement, documents and instruments as Seller and its counsel may reasonably request in order to consummate the Closing.

ARTICLE IX

TERMINATION RIGHTS ; MATERIAL BREACH

9.01 Material Breach, Cure.

(a) Material Breach. Each of the following events shall constitute a breach which, if uncured, shall become a "Material Breach" :

(i) By Buyer.

A. A material breach, failure, inaccuracy, or incompleteness of any representation, warranty, or covenant of Buyer made herein;

B. Any wrongful failure on the part of Buyer to timely perform any obligation of Buyer arising pursuant to this Agreement;

C. Any conduct by Buyer in violation of any rule, regulation, or policy of the FCC, which has a material, adverse effect on the Subject Transactions ;

D. Any wrongful failure or refusal by Buyer to close the Subject Transactions on the Closing Date; and

E. Any wrongful failure or refusal by Buyer to satisfy any condition precedent to Seller's obligation to close the Subject Transactions to the extent that any such condition is within Buyer's control.

(ii) By Seller:

A. A material breach, failure, inaccuracy, or incompleteness of any representation, warranty, or covenant of Seller made herein;

B. Any wrongful failure on the part of Seller to timely perform any obligation of Seller arising pursuant to this Agreement;

C. Any conduct by Seller in violation of any rule, regulation, or policy of the FCC, which has a material, adverse effect on the Subject Transactions ;

D. Any wrongful failure or refusal by Seller to close the Subject Transactions on the Closing Date; and

E. Any wrongful failure or refusal by Seller to satisfy any condition precedent to Buyer's obligation to close the Subject Transactions to the extent that any such condition is within Seller's control.

(b) Cure. Each party hereto shall have fifteen (15) days from the date of written notice from the other party of a breach to cure such breach. If not timely cured, such breach shall become a Material Breach.

9.02 Termination

(a) This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in Material Breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

(i) if, on or prior to the Closing Date, the other party is in Material Breach;

(ii) if the FCC denies the FCC Application or designates the FCC Application for a trial-type hearing; or

(iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing.

ARTICLE X **REMEDIES**

10.01 Material Breach by Seller. Seller recognizes that, in the event Seller is in Material Breach of its obligations under this Agreement, monetary damages alone will not be adequate. Buyer shall therefore be entitled in such event to obtain specific performance of the terms of this Agreement. Any such suit for specific performance brought by Buyer shall not be the exclusive remedy of Buyer against Seller for its wrongful failure to close hereunder. In any action to enforce the provisions of this Agreement, Seller shall waive the defense that there is an adequate remedy at law or equity and agree that Buyer shall have the right to obtain specific performance of the terms of this Agreement without being required to provide actual damages, post bond or furnish other security. In addition, Buyer shall be entitled to obtain from Seller court costs and reasonable attorneys fees incurred by it in enforcing its rights hereunder. As a condition to seeking specific performance, Buyer shall not be required to have tendered

the consideration specified in this Agreement, but must demonstrate that it is ready, willing and able to do so. If the Closing does not occur because Seller has not fully complied with the conditions specified in this Agreement or is in Material Breach, the Escrow Agent shall return the Escrow Deposit, together with all interest earned thereon, to Buyer.

10.02 Default by Buyer. If the Subject Transactions are not consummated as a result of Buyer's Material Breach and wrongful failure to close hereunder, and Seller is not also in Material Breach under this Agreement, then Seller shall be entitled to payment of the Escrow Deposit as defined in the Escrow Agreement as liquidated damages in full settlement of any damages of any nature or kind that Seller may suffer or allege to suffer as the result thereof. Liquidated damages shall be paid from the funds deposited by Buyer under the Escrow Agreement. It is understood and agreed that the amount of liquidated damages represents Buyer's and Seller's reasonable estimate of Seller's actual damages and does not constitute a penalty. Recovery of liquidated damages under this Section shall be the sole and exclusive remedy of Seller against Buyer for failing to consummate this Agreement and shall be applicable regardless of the actual amount of damages sustained.

10.03 Termination Other Than by Default. If the Subject Transactions are not consummated for any reason other than those specified in Sections 9.02(a)(i)-(iii), and if Buyer is not in Material Breach under this Agreement, the Escrow Agent shall return the Escrow Deposit, together with interest earned thereon, to Buyer.

ARTICLE XI **MISCELLANEOUS**

11.01 Risk of Loss. Except as may be provided in the TBA, Seller shall bear the risk of loss as to all tangible property included in the Station Assets until the Closing Date. In the event that material damage or loss to any such property exists on the Closing Date, Buyer, at its option, may (i) proceed to close, accept responsibility for repair and accept an assignment of all insurance proceeds applicable to such loss, or (ii) defer the Closing to a date set forth in a writing delivered to Seller which date shall be no more than 60 days after the previously scheduled Closing Date by which such loss shall be restored or repaired to Buyer's reasonable satisfaction.

11.02 Applications for FCC Consent. Within ten (10) days of this Agreement's execution, Seller and Buyer will jointly prepare and file an application with the FCC seeking assignment and transfer of all FCC Licenses (and any extensions or renewals thereof) from Seller to Buyer (the "Assignment Application"). Seller and Buyer will diligently take, or cooperate in the taking of, all steps that are necessary, proper or desirable to expedite the preparation of such applications and their prosecution to a favorable conclusion. Seller shall after the Closing Date file with the FCC (or furnish to Buyer for filing with the FCC) all information required by the FCC relating to the operation of the Station prior to the Closing Date.

11.03 Buyer's Right to Indemnification. Seller shall indemnify and hold harmless Buyer, its affiliates, members, employees, successors and assigns from and against and in respect of, and to reimburse them for, any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorneys' fees and expenses (together, "Claims"), incurred or suffered by any party arising from:

(i) except as provided in the TBA, the operation of the Station or ownership of the Station Assets on or before the Closing Date;

(ii) any Material Breach, misrepresentation, or other violation of or failure to perform any of Seller's covenants, warranties or representations contained in this Agreement;

(iii) all obligations and liabilities of Seller arising under the FCC Licenses or any of the Contracts assumed by Buyer prior to the Closing Date; and

(iv) all retained liabilities of Seller, including but not limited to all accounts payable for the operation of the Station between the date hereof and the Closing Date, and any contracts, agreements, leases and understandings that are not assumed by Buyer at the Closing.

11.04 Seller's Right to Indemnification. Buyer shall indemnify and hold harmless Seller, its affiliates, shareholders, partners, employees, successors and assigns from and against and in respect of, and to reimburse them for, any and all Claims incurred or suffered by such parties arising from:

(i) the operation of the Station or ownership of the Station Assets by Buyer on or after the Closing Date;

(ii) a Material Breach, misrepresentation, or other violation of or failure to perform any of Buyer's covenants, warranties or representations contained in this Agreement; and

(iii) all obligations and liabilities assumed by Buyer under this Agreement, including without limitation, all liabilities under the assumed Contracts and the FCC Licenses arising on or after the Closing Date.

11.05 Conduct of Proceedings. If any claim, action, suit or proceeding covered by the foregoing agreements to indemnify and hold harmless (a "Proceeding") shall arise, the party who seeks indemnification (the "Indemnified Party") shall give written notice thereof to the other party (the "Indemnitor") promptly after the Indemnified Party learns of the existence of such Proceeding; provided, however, that the Indemnified Party's failure to give the Indemnitor such notice shall not bar the Indemnified Party's right to indemnification unless such failure has prejudiced the Indemnitor's ability to defend the Proceeding. The Indemnitor shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend against any such Proceeding, or to

compromise, settle or otherwise dispose of the same, if the Indemnitor deems it advisable to do so, all at the expense of the Indemnitor; provided that the Indemnitor shall not have the right to control the defense of any such Proceeding unless it has acknowledged in writing its obligation to indemnify the Indemnified Party fully from all liabilities incurred as a result of such Proceeding; provided further that the Indemnitor shall not settle, or consent to entry of any judgment in any proceeding without obtaining a release of the Indemnified Party from all liability in respect of the Claims underlying such Proceeding. If the Indemnified Party does not consent to a bona fide offer of settlement made by a third party and the settlement involves only the payment of money, then the Indemnitor may, in lieu of a payment of that amount to such third party, pay that amount to the Indemnified Party. After such payment to the Indemnified Party, the Indemnitor shall have no further liability with respect to that claim or proceeding and the Indemnified Party shall assume full responsibility for the defense, payment or settlement of such claim or proceeding. If the Indemnitor fails to acknowledge in writing its obligation to defend against or settle such Proceeding within thirty (30) days after receiving notice thereof from the Indemnified Party (or such shorter time specified in the notice as the circumstances of the matter may dictate), the Indemnified Party shall be free to dispose of the matter, at the expense of the Indemnitor, in any way in which the Indemnified Party deems to be in its best interest.

11.06 Survival. The obligations to indemnify hereunder and the agreements, covenants, representations and warranties made herein shall survive the Closing and any dissolution, liquidation, merger or consolidation of Buyer, on the one hand, or Seller, on the other hand, and shall bind the successors and assigns of Buyer and Seller. Notwithstanding the foregoing, the obligations to indemnify hereunder and the agreements, covenants, representations and warranties made herein, shall expire on the first anniversary of the Closing Date.

11.07 Defense. If any action, suit or proceeding shall be commenced against, or any claim or demand be asserted against, a party to this Agreement in respect of which that party proposed to demand indemnification hereunder, notification shall be given to that effect to the indemnifying party, who shall assume the entire control of, subject to the right of the notifying party to participate (at its expense and with counsel of its choice) in, the defense thereof.

11.08 Expenses. Whether or not the Subject Transactions are consummated, each party's expenses incurred in connection with the preparation and performance of this Agreement and the Subject Transactions shall be paid for by that party. Buyer and Seller shall split equally the filing fee for the FCC Assignment Application to assign the FCC Licenses to Buyer.

11.09 Amendment. This Agreement may be amended only by a writing signed by all parties hereto.

11.10 Notices. Any notice given hereunder shall be in writing and shall be deemed duly given: if sent by overnight delivery service, within one (1) days after such

delivery, if hand delivered, when so delivered, or if transmitted by telecopy, when received (provided a copy is also sent via overnight delivery), to the parties hereto at the addresses set forth below their respective names below:

Seller: Ms. Lenora Alexander
2349 Paris Street
Aurora, Colorado 80010
TEL: (303) 360-6716
FAX: (303) 622-9258 and (303) 292-5344

With copy to: Matthew H. McCormick
Reddy, Begley & McCormick, LLP
2175 K Street, N.W., Suite 350
Washington, D.C. 20037-1845
TEL: (202) 659-5700
FAX: (202) 659-5711

Buyer: Edward F. Seeger, Member
Trans-Rockies Radio, LLC
1311 Chuck Dawley Boulevard
Suite 202
Mount Pleasant, South Carolina 29464
TEL: (843) 972-2200
FAX: (843) 881-4436

With a copy to: John P. Melko
American Media Services LLC
PO Box 20696
Charleston, SC 29413
TEL: (843) 972-2200
FAX: (843) 881-4436

11.11 Assignment. This Agreement may be assigned by Buyer to an affiliate (i.e. any entity of which Buyer or Edward Seeger holds voting control), without prior written consent of the Seller, but such assignment shall not relieve Buyer its obligation under this Agreement, including the obligation to cause the Further Deposit to be made.

11.12 Merger. All other understandings and agreements heretofore made between the parties hereto are merged into this Agreement and the Documents which together fully and completely express the agreement of the parties.

11.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall be but a single instrument.

11.14 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Colorado (without regard to its choice of law provisions), except as they may be preempted by federal statute or the rules and regulations of the FCC.

11.15 Severability. Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law, and where ever there is any conflict between any provision of this Agreement and any applicable statute, law, ordinance, order or regulation, such statute, law, ordinance, order or regulation shall prevail; provided, however, that in such an event the provision of this Agreement so affected shall be curtailed and limited only to the extent necessary to permit compliance with the minimum legal requirement, and no other provision of this Agreement shall be affected hereby and all such other provisions shall continue in full force and effect.

11.16 Headings. The descriptive headings of the several sections and paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11.17 Documents. Each party hereto agrees to execute and, if necessary, to file with the appropriate governmental entities, such documents as may be reasonably necessary in order to carry out the purposes of this Agreement.

11.18 No Waiver. The failure of any party to insist upon strict performance of any obligation hereunder shall not constitute a waiver of such party's right to demand strict compliance therewith in the future.

11.19 Termination. The Subject Transactions may be terminated at any time prior to the Closing or the Termination Date by mutual consent in writing of the parties hereto.

11.20 No Third Party Beneficiary. Nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

11.21 No Right of Reverter. Upon Closing of the instant transaction, Seller will have no rights of reversion or license reassignment, and no reservation of time on the Station for any period whatsoever.

11.22 Entire Agreement. This Agreement, and the exhibits hereto embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

11.23 Environmental Audit. Buyer may cause an environmental audit of the Real Property and Personal Property to be conducted by a company selected by Buyer within thirty (30) days of the date of this Agreement. The failure of Buyer to conduct an environmental audit within such 30-day period shall constitute an irrevocable waiver by

Buyer of its rights under this Section 11.24. All costs of such audit shall be paid by Buyer. If the environmental audit discloses the presence of any Hazardous Substance, Seller shall have the option, but not the obligation, to properly remove such Hazardous Substance and otherwise bring the Real Property and Personal Property into compliance with Environmental Laws at Seller's expense, including without limitation by obtaining all licenses and permits as required under Environmental Laws to evidence the proper disposal of Hazardous Substances; provided, however, that if Seller does not exercise such option, Buyer may, in its sole discretion, terminate its obligations hereunder upon written notice to Seller and thereafter, Buyer's Initial Deposit including interest shall be returned to Buyer and the letter of credit constituting the Second Deposit shall be returned to Buyer. If Seller elects to remove any Hazardous Substances and otherwise bring the Real Property and Personal Property into compliance with Environmental Laws, Buyer shall be obligated to close, and if Buyer fails to close under these circumstances, Seller shall be entitled to collect from Buyer as damages all costs incurred by Seller to remove such Hazardous Substances or comply with Environmental Laws in addition to liquidated damages specified in Section 10.2 above. Failure to conduct any audit or investigation shall not adversely affect Buyer's rights to rely upon the representations, warranties and covenants of Seller.

11.24 Bulk Sales Laws. Buyer hereby waives compliance by Seller with the provisions of the "bulk sales" or similar laws of any state. Seller agrees to indemnify Buyer and hold it harmless from any and all loss, cost, damage and expense (including but not limited to, reasonable attorney's fees) sustained by Buyer as a result of any failure of Seller to comply with any "bulk sales" or similar laws.

11.25 Confidentiality. Both Buyer and Seller agree that it will use its best efforts to keep confidential (except for such disclosure to attorneys, bankers, underwriters, investors, etc.) all information of a confidential nature obtained from the other and, in the event that the Subject Transactions are not consummated, will return all documents and other materials obtained from the other.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

LENORA ALEXANDER

Attest: _____

By: _____
Lenora Alexander

TRANS-ROCKIES RADIO, LLC

Attest: _____

By: _____
Edward F. Seeger, Managing Member