

## **BIDDING AGREEMENT**

THIS BIDDING AGREEMENT is made on this 29 day of November, 2005 by and between LITTLE ISLAND PRODUCTIONS, LLC, a California limited liability company ("Applicant"), and WORLD RADIO LINK, INC., an Idaho corporation ("Bidder").

### **Recitals**

WHEREAS, the Federal Communications Commission ("FCC") will be auctioning certain FM broadcast construction permits beginning on November 1, 2005 in FM Broadcast Auction No. 62 ("Auction 62");

WHEREAS, Applicant intends to participate in Auction No. 62 as an applicant; and

WHEREAS, Applicant desires to obtain from Bidder, and Bidder desires to provide to Applicant, bidding services in Auction 62 on the terms and conditions specified herein.

THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

### **Agreement**

#### **ARTICLE 1. BIDDING SERVICES.**

1.1. Authorization to Make or Withdraw a Bid. Applicant hereby appoints Bidder as its agent in making or withdrawing bids or taking any other actions as necessary or desirable in connection with the preparation for and bidding in FCC Auction 62 and Bidder hereby agrees to accept such appointment, subject to the terms of this agreement.

1.2. FCC Form 175.

(a) On its application to participate in Auction 62 ("FCC Form 175"), Applicant has specified one (1) employee of Bidder, Clark Parrish, as a designated bidder authorized to act on Applicant's behalf during Auction 62 for the purposes of bidding on the construction permits pursuant to the terms and conditions specified herein:

(b) Applicant has designated two (2) people from its organization, Mike MacIntosh and Chip Lusko, as two of the designated bidders on its FCC Form 175 who shall be available to act during Auction 62 should Bidder experience technical or other difficulties which would prevent Bidder and/or the person named in Section 1.2(a) hereof from bidding on Applicant's behalf during any or all of the bidding rounds during Auction 62.

(c) Applicant has disclosed this Agreement as required by FCC Rules and Regulations on its FCC Form 175 and shall submit or disclose this agreement in any subsequent filings as required by FCC Rules.

(d) On its FCC Form 175, Applicant has specified the allocations listed on *Schedule A* hereto as construction permits it desires to bid on in Auction 62. Applicant shall not apply to participate in Auction 62, through the Applicant or any other party, for any other allocations available in Auction 62.

### 1.3. Bidding.

(a) Maximum Bids and Bidding. For each allocation listed on *Schedule A*, Applicant shall specify the tentative maximum amount to be bid ("Tentative Maximum Bid") for each allocation by the close of business on October 21, 2005. Such Tentative Maximum Bid amounts shall be listed on *Schedule B* which shall become part of this Agreement. Each party to this Agreement shall keep the contents of *Schedule B* confidential as to all others except for the parties to this Agreement. Unless Applicant provides Bidder with a Bidding Instruction (defined below), Bidder shall abide by the Tentative Maximum Bid listed on *Schedule B* for each allocation listed on *Schedule A* during Auction 62. Notwithstanding the foregoing, however, Bidder shall have the discretion to exceed the Tentative Maximum Bid listed on *Schedule B* for each allocation listed on *Schedule A* by ten percent (10%) without the need to obtain a Bidding Instruction (as defined below) from Applicant. Until the Tentative Maximum Bid is reached, Bidder shall have the authority to bid on any or all of the allocations listed on *Schedule A*, at Bidder's sole discretion, during each bidding round and Bidder shall keep Applicant's Bidding Credits (as defined by the FCC's Rules) as active as possible for as long as possible during each round of the Auction such that Applicant has the potential to win the most number of allocations listed on *Schedule A* for the least amount of money as determined by Bidder's sole judgment.

(b) Bidding Instructions. Applicant shall provide a specific dollar amount to be bid by Bidder on behalf of Applicant for each allocation listed on *Schedule A* that Applicant desires Bidder to make a bid in excess of the Tentative Maximum Bid listed on *Schedule B* for every round of bidding after the Tentative Maximum Bid is reached for each allocation ("Bidding Instruction(s)"). Such Bidding Instructions shall be in writing, signed by Mike MacIntosh and shall be delivered by Applicant to Bidder no later than thirty (30) minutes prior to the end of each relevant round of bidding, as announced by the Commission, in Auction 62 by:

(i) facsimile of written bidding instructions signed by Mike MacIntosh to (208)733-3548 to the attention of Steve Atkin and Clark Parrish; or

(ii) a .pdf of written bidding instructions signed by Mike MacIntosh sent by email sent to Steve Atkin (steve@worldradiolink.com) and Clark Parrish (clark@worldradiolink.com).

(c) Receipt of Bidding Instructions. Upon receipt of each Bidding Instruction, Bidder shall confirm receipt of each particular Bidding Instruction by:

(i) oral confirmation to Mike MacIntosh by telephone (858) 259-5420 INSERT TEL NO); or

(ii) email sent by Steve Atkin or Clark Parrish to Mike MacIntosh (mmacintosh@horizonsd.org).

(d) Effectiveness of Bidding Instructions. Each particular Bidding Instruction shall not be deemed to be received by Bidder until such time as Bidder confirms its' receipt of each particular Bidding Instruction to Applicant pursuant to Section 1.3(c) above. If no Bidding Instruction for a particular round in Auction 62 is received by Bidder from Applicant, Bidder shall not bid that particular round. If Bidder receives a Bidding Instruction for a particular round in Auction 62 but that particular Bidding Instruction is not timely received pursuant to Sections 1.3(b) and 1.3(c) above, Bidder shall make a good faith effort to bid in the particular round as per

the late-received Bidding Instruction, provided however, that Bidder shall not have any liability resulting from any such good faith efforts.

1.4. Compensation. In consideration for Bidder's provision of bidding services to Applicant, Applicant shall pay Bidder as follows:

(a) upon execution of this Agreement in cash or cashier's check, FIVE HUNDRED DOLLARS (\$500.00) for each allocation listed on *Schedule A* hereto; and

(b) on the first (1<sup>st</sup>) business day that is ten (10) calendar days after the close of Auction 62 in cash or cashier's check, TWO HUNDRED FIFTY DOLLARS (\$250.00) for each round of bidding in Auction 62. Bidder shall deliver to Applicant an invoice for the total amount due under this subsection within three (3) business days after the close of Auction 62.

## **ARTICLE 2. IMMUNITY OF BIDDER.**

Acceptance by Bidder of its duties under this Agreement is subject to the following terms and conditions, which Applicant hereby agrees shall govern and control the rights, duties and immunities of Bidder:

2.1. Bidder undertakes to perform such duties and only such duties as are expressly set forth herein, and no implied agreements or obligations shall be read into this Agreement against Bidder;

2.2. Bidder shall not be responsible in any manner whatsoever for any failure or inability of Applicant, or of anyone else, to deliver Bidding Instructions to Bidder or to honor any of the provisions of this Agreement;

2.3. Applicant shall, within ten (10) business days following demand, reimburse and indemnify Bidder for, and hold it harmless from and against, any loss, liability or expense, including but not limited to reasonable counsel fees, arising out of or in connection with its acceptance of, or the performance of its duties and obligations under, this Agreement, except for losses, liabilities and expenses caused by the bad faith, willful misconduct or gross negligence of Bidder. Bidder shall in no event be liable in connection with its bidding activities performed hereunder in good faith in accordance with the terms hereof, including, without limitation, any liability for any delays not resulting from its gross negligence or willful misconduct or any loss of interest incident to any such delays;

2.4. Bidder shall be fully protected in acting on and relying upon its good faith judgment under the terms of this Agreement, specifically with respect to Section 1.3 hereof, any written Bidding Instruction, notice, direction, request, waiver, consent, receipt or other paper or document which Bidder in good faith believes to have been signed or presented by Applicant in connection with this Agreement;

2.5. Bidder shall not be liable for damages arising from any error of fact or judgment, or for any act done or step taken or omitted by it in good faith or for any mistake of fact or law, or for anything that it may do or refrain from doing in connection herewith, except its own bad faith, willful misconduct or gross negligence;

2.6. In the event of a breach by Bidder of any of its material obligations under this Agreement, Applicant's sole remedy shall be limited to a maximum amount that is not greater than the compensation received by Bidder from Applicant under Section 1.4 of this Agreement. Applicant and Bidder each acknowledge and agree that this provision is reasonable in light of the

speculative nature of any harm potentially caused by Bidder's breach of any of its material obligations under this Agreement and the extreme difficulty of ascertaining damages and proof of anticipatory losses; and

2.7. No provisions of this Agreement shall require Bidder to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers.

### **ARTICLE 3. MISCELLANEOUS.**

3.1. This Agreement may be executed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be executed and exchanged by facsimile transmission with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

3.2. No persons other than the parties hereto shall have any rights under or by reason of this Agreement.

3.3. Other than the Bidding Instructions, other notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

if to Applicant, then to: Little Island Productions, LLC  
13785 Nogales Drive  
Del Mar, CA 92124  
Attn: Mike MacIntosh, President  
Fax: 858-348-0830

if to Bidder, then to: World Radio Link, Inc.  
P.O. Box 5429  
Twin Falls, ID 83303  
  
834 Falls Avenue  
Twin Falls, ID 83301  
Attn: Clark Parrish  
Fax: 208-733-3548

3.4. The headings contained in this Agreement are inserted for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

3.5. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

3.6. No amendment or waiver of any provision of this Agreement shall be effective unless in writing and signed by each of the parties hereto, and any waiver shall be effective only in the instance and for the purpose for which given.

3.7. This Agreement shall be governed by and construed in accordance with the laws of the Idaho without regard to principles of conflicts of law.

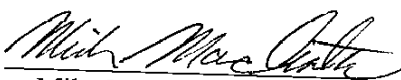
3.8. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

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SIGNATURE PAGE(S) FOLLOWS

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


**APPLICANT:**

**LITTLE ISLAND PRODUCTIONS, LLC**

By:   
Mike MacIntosh  
President

**BIDDER:**

**WORLD RADIO LINK, INC.**

By:   
Earl Williamson  
President

## Little Island

Little Island

Construction Permit	Market Name			Channel	Class	Coordinates								Bidding Units	Upfront Payment	Minimum Opening Bid
	State	City				Latitude				Longitude						
FM013	CA	Covelo		245	A	39	47	42	N	123	14	54	W	7,500	\$7,500	\$7,500
FM014	CA	Hornbrook		255	A	41	53	6	N	122	35	3	W	15,000	\$15,000	\$15,000
FM023	CO	Silverton		238	A	37	48	42	N	107	40	0	W	5,000	\$5,000	\$5,000
FM106	OR	Butte Falls		225	A	42	33	33	N	122	36	13	W	15,000	\$15,000	\$15,000
FM115	SD	Burke		264	A	43	11	6	N	99	15	2	W	2,500	\$2,500	\$2,500
FM119	TX	Charlotte		272	A	28	46	0	N	98	42	0	W	7,500	\$7,500	\$7,500
FM121	TX	Hunt		260	A	30	7	18	N	99	25	39	W	10,000	\$10,000	\$10,000
FM125	TX	Mason		259	A	30	45	0	N	99	14	0	W	2,500	\$2,500	\$2,500
FM127	TX	Mertzou		266	A	31	15	30	N	100	49	0	W	1,500	\$1,500	\$1,500
FM131	TX	Rocksprings		223	A	30	5	18	N	100	18	2	W	1,500	\$1,500	\$1,500
FM136	UT	Torrey		253	A	38	18	0	N	111	25	12	W	2,500	\$2,500	\$2,500

\* Channel offset: 1000000

\* Channel offered but unsold in Auction No. 37