



March 28, 2003  
Edward F. Seeger  
Managing Partner  
KAGM Joint Venture  
1311 Chuck Dawley Blvd., Suite 202  
Mt. Pleasant, SC 29464

RE: Letter of Intent for Loan, Option and Acquisition of  
Radio Station KAGM (FM), Strasburg, CO

Dear Edward,

The purpose of this letter is to set forth the terms and conditions of a non-binding offer by NRC Broadcasting, Inc. ("NRC"), a Delaware corporation, to obtain an option to acquire from The KAGM Joint Venture ("KAGMJV") substantially all of the assets and FCC licenses of radio station KAGM (FM), Strasburg, Colorado (Channel 272, 102.3 mHz), and all associated translators, boosters and auxiliaries (the "Station"), and to grant KAGMJV a loan in connection with its acquisition of the Station from the current licensee, on the following terms and conditions:

1. At the closing of the transaction in which KAGMJV will acquire the Station from the current licensee (the "Loan Date"), NRC offers to lend to KAGMJV the sum of \$3,500,000 (the "Loan") pursuant to an agreement (the "Loan Agreement") to be negotiated by the parties, and further subject to the terms and conditions set forth herein. The Loan shall be evidenced by a promissory note (the "Note") bearing interest at the then prevailing prime rate (as published on a quarterly basis in the Wall Street Journal on the first day of each calendar quarter), and shall be secured by a first priority lien on the Station Assets and on the proceeds from any sale of KAGM's FCC license. KAGMJV shall hold the license in a subsidiary corporation, unencumbered by any debts, liens, contracts, or other obligations (the "License Subsidiary"). The members of KAGMJV shall pledge to NRC of all of the membership of KAGMJV and the stock of the License Subsidiary. As further security, KAGMJV will provide the guaranties of the members of KAGMJV and such other security as may be agreed to by NRC and KAGMJV. The security shall be evidenced by a Security and Membership Pledge Agreement and Guaranty Agreements to be entered into by KAGMJV, its members, and NRC on the Loan Date, and such other documents as may be necessary. Interest on the Loan shall accrue. Principal and Interest shall be due in a lump sum upon a Principal Payment Event, as defined below.



2. In consideration for the making of the Loan by NRC to KAGMJV, as of the Loan Date KAGMJV shall grant NRC an exclusive option (the "Option") to acquire the Station. The Option shall be exercisable by NRC at any time during a period commencing on the Loan Date and terminating on the earlier of 1) one year from the Loan Date or 2) five business days after the public release by the FCC of the Report and Order approving the Petition for Rulemaking (as defined below); provided, however, that if the Report and Order has not been issued within one year of the Loan Date, NRC may, at its option, extend the Option period by another six (6) months (the "Option Period"), and further, provided, that the Option shall continue thereafter until five business days after the Report and Order is publically released or until all principal and interest under the Loan is paid in full. The terms of the Option shall be documented in an Option and Purchase Agreement (the "Option and Purchase Agreement") setting forth the terms of the Option and the terms on which NRC may, upon exercise of the Option, acquire substantially all of the assets used or useful in the operation of the Station (the "Station Assets"), including, without limitation and unless otherwise excluded, (i) any and all FCC licenses, authorizations, permits and applications, including with respect to translators, boosters and auxiliaries used in the operation of the Station; (ii) all tangible personal property; (iii) all owned and leased real property, specifically including the studio site and the tower site, whether owned or leased, and any and all rights and authorizations with respect to current or future tower sites; (iv) such contracts as NRC shall agree to assume in its discretion; (v) all copyrights, trade names, trademarks, and similar intellectual property rights; and (vi) such books and records of the Station as are reasonably necessary, but not including the books and records of KAGMJV, as an entity. The Station Assets shall be conveyed to NRC on the closing date, free and clear of any and all liens, claims and encumbrances. KAGMJV shall retain its cash on hand, accounts receivable and similar financial instruments as of the closing date. Within five (5) business days of NRC's exercise of the Option, the parties shall provide any additional such information as is necessary to make the Option and Purchase Agreement sufficient for filing with the FCC, and shall file an Assignment Application with the FCC seeking FCC consent to the sale of KAGM to NRC.

3. The Purchase Price for the Station Assets shall be \$16,000,000, payable in cash at the closing, less a credit to NRC for the amount of the Loan and any accrued interest, (with the Loan to be cancelled at the Closing), subject to customary adjustments and pro-rations. Payment to KAGMJV shall be by wire transfer of same day Federal funds. The closing ("Closing") of the acquisition of the Station Assets shall be within ten (10) days following finality of the FCC's Report and Order granting KAGMJV's Petition for Rulemaking to change the city of license of KAGM to Greenwood Village, Colorado ("the Petition for Rulemaking"), provided, that at its sole election, NRC may waive such condition and cause the Closing to occur within ten (10) days after the FCC consent has been granted. If the FCC consent to the Assignment Application does not occur prior to the finality of the Rulemaking, then the Closing shall take place not later



then ten (10) days after the FCC Consent to the Assignment Application has been granted provided, that, if an objection to the Assignment Application is filed with the FCC, NRC may elect to delay closing until finality of the grant of the Assignment Application.

4. The Loan shall be due and payable ("Principal Payment Events") upon the occurrence of any of the following: 1) Closing of the Option and Purchase Agreement transaction; 2) any material breach by KAGMJV of its obligations under the Option and Purchase Agreement, Loan Agreement, Note or Security and Membership Pledge Agreement; not cured within thirty (30) days notice of such breach; 3) the failure to occur of any Contingency by the date provided in the Option and Purchase Agreement, with all such Contingencies to be satisfied no later than three (3) years after the Loan Date; 4) after any termination of the Option and Purchase Agreement.

5. This letter constitutes a non-binding offer by NRC to enter into the Loan, Option and Purchase transaction for the Station Assets on the terms and conditions stated above, which offer will expire if not accepted by KAGMJV on or before close of business on April 4, 2003. By its signature below, KAGMJV represents and warrants that it has all necessary power and authority to negotiate, execute and deliver a definitive agreement with respect to sale of the Station and the Station Assets. Upon acceptance by KAGMJV of such terms and conditions, the parties shall negotiate in good faith for a period of thirty (30) days (the "Negotiation Period") the provisions of a definitive Option and Purchase Agreement containing representations and warranties, covenants and closing conditions that are customary for a transaction of this type, and the related Loan Agreement, Note, Security and Membership Pledge Agreement, and Guaranties.

6. In particular, the Loan Agreement and Option and Purchase Agreement shall contain certain contingencies ("Contingencies") for the benefit of NRC: 1) KAGMJV shall provide NRC with such additional signal coverage maps and related engineering plans and studies as NRC may request within ten days of the date hereof (collectively, the "Plans") with respect to KAGMJV's Petition for Rulemaking to move the Station such that the Station can broadcast a signal over a portion of the Denver radio market, all as satisfactory to NRC in its sole discretion; 2) KAGMJV shall work with NRC to identify available tower sites for the Station, and, 3) the FCC's approval of the Petition for Rulemaking shall permit the location of a transmitter site for KAGM, with full Class A facilities as defined by FCC rules, within an area to be specified in an exhibit to the Option and Purchase Agreement (the "Transmitter Site Zone"). KAGM shall bear all costs of compensating all FCC licensees or permittees (other than NRC) for any costs necessary to relocate, re-license or otherwise modify the facilities of any other radio station which are necessary for the location of KAGM within the specified Transmitter Site Zone provided however, that NRC shall be responsible for all costs associated with the build out of KAGM at its new location including without limitation, tower construction, lease costs, and any equipment NRC may



elect to purchase over and above the existing Station Assets. Termination of such Option and Purchase Agreement shall occur, at NRC's election in the event of a failure by KAGMJV to satisfy any Contingency at the time specified in the Option and Purchase Agreement; upon a material breach by a party, not timely cured; if the FCC consent is not granted or is designated for hearing; or if the transaction has not been consummated within eighteen months of the filing of the assignment application.

7. During the Negotiation Period. For a period of thirty five (35) days from the date of execution of this letter by KAGMJV, none of KAGMJV or any of its affiliates, principals or agents shall solicit, entertain, discuss or enter into any other transaction for the sale of the Station with any party other than NRC. If the parties fail to enter into the Option and Purchase Agreement within the thirty (30) day period specified herein, this letter shall have no further force and effect except with respect to this paragraph and paragraph 8 below. During the Negotiation Period, KAGMJV shall give NRC and its authorized agents reasonable access to all station facilities and financial, regulatory, operational and engineering records, including, without limitation, all engineering reports and analysis of the station facilities and the planned improvements to such facilities, for the purpose of a due diligence investigation. Should its diligence not be satisfactory to NRC, in its sole judgment, it may terminate its obligations hereunder.

8. KAGMJV and NRC shall each keep any and all information about the Station and the proposed transaction with respect thereto as confidential and shall not disclose any such information to any third party except as required by the assignment application to be filed with the FCC or other applicable law. If the Option and Purchase Agreement is not executed and the provisions of this letter expire, the parties shall not disclose any information about the Station or the proposed transaction to any third party except as required by law.

9. Notwithstanding the non-binding nature of this letter, the provisions of Paragraph 7 with respect to exclusivity and Paragraph 8 with respect to confidentiality shall be binding upon the parties for the terms stated in such paragraphs.

10. KAGMJV understands that NRC's willingness to enter into a definitive Option and Purchase Agreement is subject to NRC entering into a definitive purchase agreement for those certain radio properties owned by AGM Rocky Mountain Broadcasting, LLC and Salisbury Broadcasting Colorado, LLC; such properties being specifically comprised of radio stations KSMT (FM), Breckenridge, CO, KIDN-FM, Hayden, CO, KKCH (FM), Glenwood Springs, CO, KSKE-FM, Vail, CO, each licensed to AGM (collectively, the "AGM Stations"), KTUN(FM), Eagle, CO, KNFO(FM), Basalt, CO, KRMR(FM), Hayden, CO, KSPN-FM, Aspen, CO, and KFMU-FM, Oak Creek, CO (collectively, the "Salisbury Stations").



If KAGMJV agrees to the terms and conditions set forth above, please countersign this letter in the space indicated below and return it to the undersigned on or before April 4, 2003.

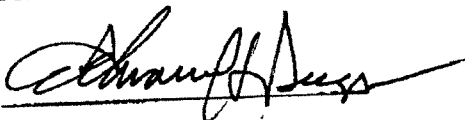
Very truly yours,

NRC BROADCASTING, INC.

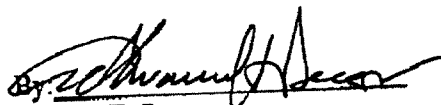
J. H. J. Brown CEO.

Agreed and Accepted:

THE KAGM JOINT VENTURE

By: 

TRANS-ROCKIES RADIO, LLC

By:   
Edward F. Seeger  
Managing Member

TRC-COLORADO, LLC

By: \_\_\_\_\_  
Anthony Brandon  
Managing Member