

**AGREEMENT FOR SALE AND PURCHASE
OF BUSINESS ASSETS**

DATE:

September 28, 2004

PARTIES:

SS RADIO, LLC
an Oregon limited liability company
P.O. Box 877
Burns, OR 97720

("Seller")

SMS PROPERTIES, LLC,
an Oregon limited liability company
P.O. Box 555
Hines, OR 97738

ACTION RADIO LLC,
an Oregon limited liability company
P.O. Box 555
Hines, OR 97738

("Buyer")

LESLIE ANN CARSON
P.O. Box 555
Hines, OR 97738

("Guarantors")

RECITALS:

A. Seller operates a business primarily engaged in radio broadcasting of KZZR (1230 AM) and KQHC (97.2 FM) in Burns, Oregon. Seller's principal place of business is S. Egan Road, Burns OR 97720. Seller, comprised of SS RADIO, LLC, and SMS PROPERTIES, LLC, owns licenses, equipment, libraries, contract rights, leasehold interests, and miscellaneous assets used in connection with the operation of its business.

B. Buyer desires to acquire substantially all the assets used or useful, or intended to be used, in the operation of Seller's business, and Seller desires to sell such assets to Buyer.

AGREEMENT:

1. ASSETS PURCHASED; LIABILITIES ASSUMED

1.1 **Assets Purchased.** Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller, on the terms and conditions set forth in this Agreement, the following assets ("Assets"):

1.1.1 All equipment, rolling stock, tools, furniture, and fixtures listed on attached Exhibit A, together with any replacements or additions to the equipment, etc., made before the closing date.

1.1.2 All supplies and merchandise owned by Seller, together with any replacements or additions to the inventories made before the closing date, but excluding supplies disposed of in the ordinary course of Seller's business.

1.1.3 All equipment leases, real property leases, distributorship agreements, and other contracts listed on Exhibit B.

1.1.4 Leasehold improvements installed by Seller on the premises that are the subject of the lease agreement identified in item 1 on Exhibit B.

1.1.5 All of Seller's rights under advertising orders and contracts of advertising and services to which Seller is a party and all of Seller's rights under purchase orders and contracts for the purchase of merchandise and programing to which Seller is a party, including those entered into in the ordinary course of business before the closing date.

1.1.6 Seller's name and goodwill.

1.1.7 All patents, trademarks, trade names, copyrights, and service marks of Seller, all registrations for them, all applications pending for them, and all other proprietary rights and intangible property of Seller, including trade secrets, inventions, technology, software, operating systems, customer lists, customer relationships, customer agreements, customer understandings, drawings, blueprints, know-how, formulae, slogans, processes, and operating rights and all other such items listed on Schedule 1.1.7 and all such items acquired by Seller or coming into existence on or before the Closing Date;

1.1.8 To the extent transferable, all approvals, authorizations, consents, licenses, permits, franchises, tariffs, orders, and other registrations of any federal, state, or local court or other governmental department, commission, board, bureau, agency, or instrumentality held by Seller and required or appropriate for the conduct of the business of Seller, including without limitation all such items listed on Schedule 1.1.8 and all such items granted or received on or before the Closing Date;

1.1.9 All accounts receivable and other receivables of Seller, including without limitation all receivables listed on Schedule 1.1.9 and all receivables acquired on or before the Closing Date, other than to the extent that those receivables have been collected by Seller in the ordinary course of business before the Closing Date;

1.1.10 All choses in action, causes of action, and other similar rights of Seller, including without limitation all such items listed on Schedule 1.1.10 and all such items arising or acquired on or before the Closing Date;

1.1.11 All prepaid and deferred items of Seller, other than prepaid insurance and taxes, but including without limitation prepaid rent and unbilled charges and deposits relating to the business of Seller and all other such items reflected on the Financial Statements described in Section 12.3;

1.1.12 All correspondence, engineering and plant records, and other similar documents and records;

1.1.13 All assignable rights, if any, to all telephone lines and numbers used in the conduct of the business of Seller, including without limitation those listed on Schedule 1.1.13.

1.2 **Liabilities Assumed.** Buyer shall accept the assignment and assume responsibility for all unfilled advertising orders from customers of Seller assigned to Buyer pursuant to Section 1.1.5, shall assume responsibility of payment for purchase orders for inventory items that have been placed by Seller before the closing date but that will not be delivered until after the closing date, and shall assume and perform all of Seller's obligations under the leases, distributorship agreements, and other contracts listed on Exhibit B required to continue operations of the radio station, except any agreements that Buyer elects to exclude. All obligations and liabilities of Seller not described in this Section 1.2 shall remain and be the obligations and liabilities solely of Seller and shall not be assumed by Buyer.

2. EXCLUDED ASSETS

Excluded from this sale and purchase are Seller's notes receivable, and any other assets of the business not specified in Section 1.1, except the balances in Seller's checking account with First Bank under account number 0511802409 titled to SS RADIO, LLC which shall be used for Seller's current liabilities, accrued liabilities, and projected liabilities at closing.

3. PURCHASE PRICE FOR ASSETS

The purchase price for the Assets, excluding inventories, shall be \$72,500.00, allocated as follows:

Radio Licenses	\$57,000.00
Equipment and Other Personal Property	\$ 7,500.00
Real Property	\$ 5,000.00
Improvements to Real Property And Leasehold Improvements	\$ 1,000.00
Supply Inventories	\$ 1,000.00

Goodwill	\$ 1,000.00
TOTAL	\$72,500.00

4. [THIS SECTION IS INTENTIONALLY LEFT BLANK]

5. PAYMENT OF PURCHASE PRICE

The price for the Assets shall be paid as follows:

5.1 At closing, Buyer shall pay, by cashier's check or certified check, the sum of \$72,500, which shall be utilized to satisfy encumbrances on assets purchased by Buyer from Seller.

6. ADJUSTMENTS

Any utilities, personal property taxes, rents, real property taxes, wages, vacation pay, payroll taxes, and fringe benefits of employees of Seller shall be satisfied, if at all, from the proceeds of the bank account listed under Section 2.

7. OTHER AGREEMENTS

At closing, the parties shall execute the following additional agreements:

7.1 The employment agreement between STANLEY SWOL and Buyer attached as Exhibit C.

7.2 The assignment of lease between Seller and Buyer and State of Oregon as Exhibit D.

8. [AS THIS IS A CASH PURCHASE AND NO SECURITY INTEREST IS REQUIRED, THIS SECTION IS INTENTIONALLY LEFT BLANK]

9. [AS THIS IS A CASH PURCHASE AND NO SECURITY INTEREST IS REQUIRED, THIS SECTION IS INTENTIONALLY LEFT BLANK]

10. GUARANTY

Guarantors unconditionally and irrevocably guarantee the performance by Buyer of each and every obligation of Buyer under this Agreement and the Agreements described in Section 7. This guaranty shall be continuing and shall terminate only upon the satisfaction by Buyer of each and every one of Buyer's obligations under this Agreement and the Employment Agreement in accordance with their terms, including but not limited to payment of the amount due thereunder, and each of Buyer's obligations under the Agreements described in Section 7.

10.1 Guarantors' Consent. Guarantors consent that it will not be necessary for Seller, in order to enforce this guaranty, to initiate an action or exhaust his legal remedies against Buyer. Guarantors consent that this guaranty may be immediately enforced upon nonpayment when due of any amount payable to Seller under this Agreement, the Note, or the Agreements described in Section 7, or Buyer's failure to perform any other obligation under this Agreement, or the Agreements described in Section 7. Guarantors consent that Seller from time to time may extend the time for performance or otherwise modify, alter, or change this Agreement, and ancillary agreements and may receive and accept notes, checks, and other instruments for the payment of money made by Buyer and extensions or renewals of such items without in any way releasing or discharging guarantors from their obligations under this Agreement. This guaranty shall not be released, extinguished, modified, or in any way affected by failure on the part of Seller to enforce all the rights and remedies available to them under this Agreement and the Agreements described in Section 7. Guarantors waive all claims against Buyer, including subrogation rights.

10.2 Bankruptcy of Buyer. The bankruptcy of Buyer shall not relieve Guarantors of their obligations under this guaranty.

10.3 Benefit. This guaranty shall inure to the benefit of Seller, and its respective successors, heirs, personal representatives, and assigns.

10.4 Joint and Several Liability. This guaranty shall bind guarantors jointly and severally and their respective heirs, personal representatives, and assigns.

10.5 Attorney Fees. In the event of any action to enforce any of the terms or conditions of this guaranty, the prevailing party or parties shall be entitled to recover from the other party or parties reasonable attorney fees fixed by the trial court and all appellate courts.

11. COLLECTION OF ACCOUNTS RECEIVABLE

Buyer will collect business accounts receivable for the account of Buyer.

12. SELLER'S REPRESENTATIONS AND WARRANTIES

As used in this Agreement, *Material Adverse Effect* means a material adverse effect on the business, results of operations, financial position, assets, or prospects of Seller, which shall in any event include any adverse effect on the Members' equity, assets, revenue, or net income of Seller in excess of \$10,000; and *Material Adverse Change* means any change that has resulted, will result or is likely to result in a Material Adverse Effect."

Subject to and except as disclosed by Seller in the Schedule of Exceptions attached as Schedule 12, in a numbered paragraph that corresponds to the section for which disclosure is made, Seller represents and warrants to the Buyer as follows:

12.1 Company Existence. The entities comprising the Seller are now and on the closing date will be each be a limited liability company duly organized and validly existing under the laws of the state of Oregon. Seller has all requisite corporate power and authority to own, operate, or lease the Assets, as the case may be, and to carry on its business as now being conducted.

12.2 Authorization. The execution, delivery, and performance of this Agreement have been duly authorized and approved by the board of Managers and Members of Seller, and this Agreement constitutes a valid and binding agreement of Seller, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, reorganization, insolvency, or similar laws affecting the enforcement of creditors' rights or by the application of general principles of equity.

12.3 Financial Statements. Seller has delivered to Buyer year-end income statements for Seller's fiscal year ended 2003, presenting the financial conditions of Seller at the dates of such statement. Buyer is aware of all the strengths and short-comings of said statements and accepts them as is with any flaws that may be contained therein.

12.4 Brokers and Finders. Neither Seller, nor anyone affiliated with the Seller, has employed any broker or finder in connection with the transactions contemplated by this Agreement, or taken action that would give rise to a valid claim against any party for a brokerage commission, finder's fee, or other like payment.

12.5 Transfer Not Subject to Encumbrances or Third-Party Approval. The execution and delivery of this Agreement by Seller, and the consummation of the contemplated transactions, will not result in the creation or imposition of any valid lien, charge, or encumbrance on any of the Assets, and will not require the authorization, consent, or approval of any third party, including any governmental subdivision or regulatory agency except as required to transfer ownership of the FCC broadcast licenses and lease with the State of Oregon.

12.6 Noncancellable Contracts. At the time of closing, there will be no material leases, employment contracts, contracts for services or maintenance, or other similar contracts existing or relating to or connected with the operation of Seller's business not cancellable within 45 days, except those Agreements listed on Exhibit B.

12.7 Compliance with Codes and Regulations. Seller has no knowledge that leasehold improvements violate any provisions of any applicable building codes, fire regulations, building restrictions, or other ordinances, orders, or regulations, except as known to the Buyer.

12.8 Litigation. Seller has no knowledge of any claim, litigation, proceeding, or investigation pending or threatened against Seller that might result in any Material Adverse Change in the business or condition of the Assets being conveyed under this Agreement.

12.9 Compliance with Laws. To the best of its knowledge, Seller has at all relevant times conducted its business in compliance with the its articles of incorporation, its bylaws, and all applicable laws and regulations. To the best of Seller's knowledge, Seller is not in violation of any applicable laws or regulations, other than violations that singly or in the aggregate do not, and, with the passage of time will not, have a Material Adverse Effect. Seller is not subject to any outstanding order, writ, injunction, or decree, and Seller has not been charged with, or threatened with a charge of, a violation of any provision of federal, state, or local law or regulation.

12.10 Employment Matters

12.10.1 Labor Matters. (a) Seller is not a party or otherwise subject to any collective bargaining or other agreement governing the wages, hours, or terms of employment of its employees.

(b) There is no (1) unfair labor practice complaint against Seller pending before the National Labor Relations Board or any other governmental authority; (2) labor strike, slowdown, or work stoppage actually occurring or, to the best of the knowledge of Seller and the Members, threatened against Seller; (3) representation petition respecting Seller's employees pending before the National Labor Relations Board; or (4) grievance or any arbitration proceeding pending arising out of or under collective bargaining agreements applicable to Seller.

(c) Seller has not experienced any primary work stoppage or other organized work stoppage involving its employees in the past two years.

12.10.2 Employment Claims. Except as disclosed on Schedule 12.10.2, there are no pending claims and, to Seller's best knowledge, no threatened claims by or on behalf of any of its employees under any federal, state, or local labor or employment laws or regulations.

12.10.3 Employee Benefits. Schedule 12.10.3 lists all pension, retirement, profit-sharing, deferred compensation, bonus, commission, incentive, life insurance, health and disability insurance, hospitalization, and all other employee benefit plans or arrangements (including, without limitation, any contracts or agreements with trustees, insurance companies, or others relating to any such employee benefit plans or arrangements) established or maintained by Seller (the "Plans"), and complete and accurate copies of all of the Plans have been provided to Buyer. None of the Plans is a defined benefit pension plan under Title IV of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

12.10.4 Employment Agreements. Except as disclosed on Schedule 12.10.4, each of Seller's employees is an "at-will" employee and there are no written employment, commission, or compensation agreements of any kind between Seller and any of its employees. Schedule 12.10.4 lists all Seller's employment or supervisory manuals, employment or supervisory policies, and written information generally provided to employees (such as applications or notices), and true and complete copies of those manuals, policies, and written information have been provided to Buyer. Seller does not have any agreements or understandings with its employees except as reflected in the items listed in Schedules 12.10.3 and 12.10.4.

12.10.5 Compensation. Schedule 12.10.5 contains a complete and accurate list of all officers, employees, or consultants of Seller, specifying their names and job designations, the total amount paid or payable as compensation to each employee of Seller, and the basis of such compensation, whether fixed or commission or a combination thereof, and accrued benefits for such persons as of the date of this Agreement.

12.10.6 Severance. Except as set forth in Schedule 12.10.6, Seller has no severance pay plan, policy, practice, or agreement with any of its employees.

12.11 Tangible Assets

12.11.1 Real Property. Seller by and through SMS PROPERTIES, LLC owns the following real property located on S. Egan Road in Burns, Harney County, Oregon which is particularly described as follows:

In township 23, S.R. 30 E., W.M.;

Section 24; A parcel of land in the SE ¼ NE ¼, beginning at the quarter section corner common to Section 24, Twp. 23 S., Range 30 E. and Section 19, Twp. 23 S., Range 31 E.; thence South 88° 1' 30" West along the east/west mid-section line of Section 24, 430 feet; thence N. 0° 03" East, 400 feet; thence North 88° 01' 30" East, 430 feet to a point on the Section line common to Section 24 and 19; thence South 0° 03' West along the section line, 400 feet to the point of beginning.

Containing 3.60 acres, more or less, and as recorded in Book 97, Page 683, Deed Records of Harney County, together with that road right of way as recorded on July 26, 1957, in Book 63, Page 518, Deed Records of Harney County, Oregon.

Together with all rights and interests vested in Warren D. Evans by the Default Judgment entered June 7, 1994 in the Circuit Court of the State of Oregon for the County of Harney (Case No. 94-04-10723E) in the matter of Evans v. Hampton et al.

12.11.2 Personal Property. Schedule 12.11.2 contains a complete and accurate list of all the tangible personal property owned by Seller ("Tangible Personal Property"). The Assets include all of the assets, properties, and rights owned or used by Seller in the Business or necessary to maintain and operate the Business.

12.11.3 Real Property Improvements. All of the real property improvements are included in the Assets.

12.12 Intellectual Property. Schedule 12.12 contains a complete and accurate list of Seller's patents, trademarks, trade names, copyrights, technology, know-how, processes, related applications, and other intellectual property used in the Business ("Intellectual Property"). Seller owns all its Intellectual Property free and clear of all liens, claims, and encumbrances. Seller's

use of its Intellectual Property does not create any conflict with or infringe upon any rights of any other person and no claims of conflict or infringement have been asserted against Seller. Schedule 12.12 also describes all agreements, licenses, permits, and other instruments under which Seller has acquired or been granted or sold or granted a right to use any Intellectual Property, together with a brief description of such Intellectual Property.

12.13 Leases. Seller is not a party to any real property lease other than that certain lease of the FM Broadcast Site from the State of Oregon, by and through the Department of State Lands dated March 30, 2004.

12.14 Title and Condition of Tangible Assets

12.14.1 Seller owns all of its assets and properties described on Exhibits A and B and Schedule 1.1.8 free and clear of all mortgages, pledges, security interests, options, claims, charges, or other encumbrances or restrictions of any kind, except IRS liens which preceeded the formation and funding of the Seller entities, and security interests in the land and assets held by Merrill O'Sullivan, LLP, which liens and encumbrances are to be satisfied out of the proceeds of this sale or other wise provided for and satisfied at closing either by agreement or from the proceeds to be provided by Buyer, and any applicable encumbrance of record disclosed in that certain preliminary title report of September 20, 2004 from AmeriTitle under Escrow No. BU0016902.

12.14.2 Seller has good and absolute title to the Tangible Personal Property.

12.14.3 All Tangible Personal Property has been maintained and operated in accordance with prudent industry practices, and is has been subject to ordinary wear and tear, and is adequate for the conduct of Seller's business.

12.14.4 The plants, buildings, and structures included in the Real Property currently have access to

(a) Public roads or valid easements over private streets or private property for ingress to and egress from the Real Property; and

(b) Water supply, storm and sanitary sewer facilities, telephone, gas and electrical connections, fire protection, drainage, and other public utilities, in each case as is necessary for the conduct of the Business.

12.14.5 None of the material structures on the Real Property encroaches on real property of another person, and no structure of any other person substantially encroaches on any of the Real Property.

12.14.6 To the best of Seller's knowledge, there are no pending or threatened developments affecting any of the Tangible Personal Property that might detract from the value of the property or assets, interfere with any present or intended use of any of the property or

assets, or affect the marketability of the properties or assets, in each case, other than those that will not have a Material Adverse Effect.

12.14.7 At the Closing, the Buyer will acquire good title to all the Assets, free and clear of all mortgages, pledges, security interests, options, claims, charges, or other encumbrances or restrictions of any kind.

12.14.8 Neither the current operations on the Real Property nor any improvements on the Real Property violate any applicable building code, zoning requirement, or other statute or ordinance, and Seller has not received any notice of any pending or contemplated special assessments against the Real Property.

12.14.9 Seller has no knowledge of any utility connections enter the Real Property through either adjoining public streets or private easements that will not inure to the benefit of Buyer; nor information regarding any structures are located on utility lines or encroach on utility rights-of-way.

12.15 Undisclosed Liabilities. To the best of Seller's and the Members' knowledge, Seller does not have any liability or obligation (whether absolute, accrued, contingent, or other, and whether due or to become due) that is not accrued, reserved against, or disclosed in the records to which Buyer has had access.

12.16 Absence of Certain Changes or Events. Since the date of the Current Income Statement, there has not been:

12.16.1 Any Material Adverse Change or any event, occurrence, development, or state of circumstances or facts that could reasonably be expected to result in a Material Adverse Change;

12.16.2 Any damage, destruction, or casualty loss, whether insured against or not, to any of the Assets;

12.17 Environmental Conditions

12.17.1 Definitions. As used in this Agreement,

(a) *Environmental Law* means any federal, state, or local statute, ordinance, or regulation pertaining to the protection of human health or the environment and any applicable orders, judgments, decrees, permits, licenses, or other authorizations or mandates under such statutes, ordinances, or regulations; and

(b) *Hazardous Substance* means any hazardous, toxic, radioactive, or infectious substance, material, or waste as defined, listed, or regulated under any Environmental Law, and includes without limitation petroleum oil and its fractions.

12.17.2 Compliance. Except as disclosed on Schedule 12.17, to the best of Seller's knowledge, Seller's business and the Assets are in compliance with all Environmental Laws and Seller has all permits required under Environmental Laws in connection with the construction, ownership, or operation of the Assets and Seller's business. Seller is not aware of and has not received notice of any past, present, or anticipated future events, conditions, activities, investigation, studies, plans, or proposals that (a) would interfere with or prevent compliance by Seller's business or the Assets with any Environmental Law, or (b) may give rise to any common-law or other liability, or otherwise form the basis of a claim, action, suit, proceeding, hearing, or investigation, involving Seller's business or the Assets and related in any way to Hazardous Substances or Environmental Laws.

12.17.3 Hazardous Substances. Except as disclosed on Schedule 12.17, to the best of Seller's knowledge, no Hazardous Substance has been disposed of, spilled, leaked, or otherwise released on, in, under, or from, or otherwise come to be located in the soil or water (including surface and ground water) on or under, the Real Property or any other real property owned, leased, or occupied by Seller in connection with Seller's business now or in the past. Except as disclosed on Schedule 12.17, none of the Assets have incorporated into them any asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls (in electrical equipment or otherwise), lead-based paint, or any other Hazardous Substance that is prohibited, restricted, or regulated when present in buildings, structures, fixtures, or equipment. Except as disclosed on Schedule 12.17, all wastes generated in connection with Seller's business are and have been transported to and disposed of at an authorized waste disposal facility in compliance with all Environmental Laws. Except as disclosed on Schedule 12.17, Seller is not liable under any Environmental Law for investigation, remedial, removal, or other response costs, natural resources damages, or other claims (including administrative orders) arising out of the release or threatened release of any Hazardous Substance at the Real Property or any other facility, and no basis exists for any such liability.

12.17.4 Underground Storage Tanks. Except as disclosed on Schedule 12.17, to the best of Seller's knowledge, there are no underground storage tanks on the Real Property (whether or not regulated and whether or not out of service, closed, or decommissioned).

12.17.5 Environmental Records. Except as disclosed on Schedule 12.20, Seller has disclosed and made available to Buyer true, complete, and correct copies or results of any reports, studies, analysis, tests, monitoring, correspondence with governmental agencies, or other documents in the possession of or initiated by Seller or otherwise known to Seller and pertaining to the existence of Hazardous Substances, to compliance with Environmental Laws, or to any other environmental concern relating to the Assets or Seller's business.

12.18 Accuracy of Representations and Warranties. None of the representations or warranties of Seller contain or will contain any untrue statement of a material fact or omit or will omit or misstate a material fact necessary in order to make statements in this Agreement not misleading. Seller knows of no fact that has resulted, or that in the reasonable judgment of Seller

will result, in a material change in the business, operations, or assets of Seller that has not been set forth in this Agreement or otherwise disclosed to Buyer.

13. REPRESENTATIONS OF BUYER AND GUARANTORS

Buyer and Guarantors each represent and warrant as follows:

13.1 Company Existence. Buyer is a limited liability company duly organized and validly existing under the laws of the state of Oregon. Buyer has all requisite corporate power and authority to enter into this Agreement and perform its obligations hereunder.

13.2 Authorization. The execution, delivery, and performance of this Agreement have been duly authorized, and approved by the Manager(s) and Members of Buyer, and this Agreement constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, reorganization, insolvency, or similar laws affecting the enforcement of creditors' rights or by the application of general principles of equity.

13.3 Brokers and Finders. Buyer has not employed any broker or finder in connection with the transactions contemplated by this Agreement and has taken no action that would give rise to a valid claim against any party for a brokerage commission, finder's fee, or other like payment.

13.4 Accuracy of Representations and Warranties. None of the representations or warranties of Buyer or Guarantors contain or will contain any untrue statement of a material fact or omit or will omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

14. COVENANTS OF SELLER

14.1 Seller's Operation of Business Prior to Closing. Seller agrees that between the date of this Agreement and the closing date, Seller will:

14.1.1 Continue to operate the business that is the subject of this Agreement in the usual and ordinary course and in substantial conformity with all applicable laws, ordinances, regulations, rules, or orders, and will use its best efforts to preserve its business organization and preserve the continued operation of its business with its customers, suppliers, and others having business relations with Seller.

14.1.2 Not assign, sell, lease, or otherwise transfer or dispose of any of the assets used in the performance of its business, whether now owned or hereafter acquired, except in the normal and ordinary course of business and in connection with its normal operation.

14.1.3 Maintain all its assets other than inventories in their present condition, reasonable wear and tear and ordinary usage excepted, and maintain the inventories at levels normally maintained.

14.2 Access to Premises and Information. At reasonable times before the closing date, Seller will provide Buyer and its representatives with reasonable access during business hours to the assets, titles, contracts, and records of Seller and furnish such additional information concerning Seller's business as Buyer from time to time may reasonably request.

14.3 Employee Matters

14.3.1 Before the closing date, Seller will not, without Buyer's prior written consent, enter into any material agreement with its employees, increase the rate of compensation or bonus payable to or to become payable to any employee, or effect any changes in the management, personnel policies, or employee benefits, except in accordance with existing employment practices.

14.3.2 Seller will undertake all action necessary or appropriate to permit Buyer, if Buyer so desires, to take over Seller's pension and profit-sharing plan as a successor employer, and will cooperate with Buyer with respect to this undertaking.

14.3.3 As of the closing date, Seller will terminate all of its employees not having employment agreements transferable to Buyer and will pay each employee all wages, commissions, and accrued vacation pay earned up to the time of termination, including overtime pay.

14.4 No Change of Name. Seller shall not be required to change its business name.

14.5 Conditions and Best Efforts. Seller will use its best efforts to effectuate the transactions contemplated by this Agreement and to fulfill all the conditions of the obligations of Seller under this Agreement, and will do all acts and things as may be required to carry out their respective obligations under this Agreement and to consummate and complete this Agreement.

14.6 WARN. Seller shall be responsible for all obligations, if any, under the Worker Adjustment and Retraining Notification Act ("WARN") and applicable regulations under it with respect to any employment terminations before or on the Closing Date and shall indemnify Buyer in the event Buyer is held liable for any failure by Seller to comply with Seller's obligations under WARN or this section.

15. COVENANTS OF BUYER

15.1 Conditions and Best Efforts. Buyer will use its best efforts to effectuate the transactions contemplated by this Agreement and to fulfill all the conditions of Buyer's obligations under this Agreement, and shall do all acts and things as may be required to carry out Buyer's obligations and to consummate this Agreement, and any ancillary agreements that may exist.

15.2 Confidential Information. If for any reason the sale of Assets is not closed, Buyer will not disclose to third parties any confidential information received from Seller in the course of investigating, negotiating, and performing the transactions contemplated by this Agreement.

16. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

The obligation of Buyer to purchase the Assets is subject to the fulfillment, before or at the closing date, of each of the following conditions, any one or portion of which may be waived in writing by Buyer:

16.1 Representations, Warranties, and Covenants of Seller. All representations and warranties made in this Agreement by Seller shall be true as of the closing date as fully as though such representations and warranties had been made on and as of the closing date, and, as of the closing date, Seller shall not have violated or shall have failed to perform in accordance with any covenant contained in this Agreement.

16.2 Broadcast License Transfer to Buyer is Assured. At the closing date, all paperwork shall be completed and submitted for transfer of the Broadcast Licenses.

16.3 Consents. Buyer shall have obtained the consent of the companies identified in item 1 of Exhibit B to permit Buyer to act as a distributor of the products or programming of such companies on substantially the same basis as such products have been distributed and broadcast by Seller. Buyer's waiver of this consent requirement with respect to any distributorship agreement shall be deemed to exclude that agreement from the assets to be conveyed to Buyer.

16.4 Conditions of the Business. There shall have been no material adverse change in the manner of operation of Seller's business before the closing date.

16.5 State of Oregon Approval for Lease Assignment Approved. At the closing date, consent from the State of Oregon for transfer of Communication Site Lease specified as item 1 on Exhibit B shall have been obtained.

16.6 No Suits or Actions. At the closing date no suit, action, or other proceeding shall have been threatened or instituted to restrain, enjoin, or otherwise prevent the consummation of this Agreement or the contemplated transactions.

17. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, before or at the closing date, of each of the following conditions, any one or a portion of which may be waived in writing by Seller:

17.1 Representation, Warranties, and Covenants of Buyer. All representations and warranties made in this Agreement by Buyer shall be true as of the closing date as fully as though such representations and warranties had been made on and as of the closing date, and Buyer shall not have violated or shall not have failed to perform in accordance with any covenant contained in this Agreement.

18. BUYER'S ACCEPTANCE

Buyer represents and acknowledges that it has entered into this Agreement on the basis of its own examination, personal knowledge, and opinion of the value of the business. Buyer has not relied on any representations made by Seller. Buyer further acknowledges that Seller has made no agreement or promise to repair or improve any of the leasehold improvements, equipment, or other personal property being sold to Buyer under this Agreement, and that Buyer takes all such property in the condition existing on the date of this Agreement.

19. RISK OF LOSS

The risk of loss, damage, or destruction to any of the equipment, supplies, inventory, or other personal property to be conveyed to Buyer under this Agreement shall be borne by Seller to the time of closing. In the event of such loss, damage, or destruction, Seller, to the extent reasonable, shall replace the lost property or repair or cause to repair the damaged property to its condition before the damage. If replacement, repairs, or restorations are not completed before closing, then the purchase price shall be adjusted by an amount agreed upon by Buyer and Seller that will be required to complete the replacement, repair, or restoration following closing. If Buyer and Seller are unable to agree, then Buyer, at its sole option and notwithstanding any other provision of this Agreement, upon notice to Seller, may rescind this Agreement and declare it to be of no further force and effect, in which event there shall be no closing of this Agreement and all the terms and provisions of this Agreement shall be deemed null and void. If, before closing, any of the real properties that are the subject of the leases mentioned in Sections 7.1 and 7.3 are damaged or destroyed, then Buyer may rescind this Agreement in the manner provided above unless arrangements for repair satisfactory to all parties involved are made prior to closing.

20. INDEMNIFICATION AND SURVIVAL

20.1 Survival of Representations and Warranties. All representations and warranties made in this Agreement shall survive the closing of this Agreement, except that any party to whom a representation or warranty has been made in this Agreement shall be deemed to have waived any misrepresentation or breach of representation or warranty of which such party had knowledge before closing. Any party learning of a misrepresentation or breach of representation or warranty under this Agreement shall immediately give written notice thereof to all other parties to this Agreement. The representations and warranties in this Agreement shall terminate 1 year from the closing date, and such representations or warranties shall thereafter be without force or effect, except any claim with respect to which notice has been given to the party to be charged prior to such expiration date.

20.2 Seller's Indemnification

20.2.1 Seller hereby agrees to indemnify and hold Buyer, its successors, and assigns harmless from and against:

(1) Any and all claims, liabilities, and obligations of every kind and description, contingent or otherwise, arising out of or related to the operation of Seller's business prior to the close of business on the day before the closing date, except for claims, liabilities, and obligations of Seller expressly assumed by Buyer under this Agreement or paid by insurance maintained by Seller or Buyer.

(2) Any and all damage or deficiency resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Seller under this Agreement.

20.2.2 Seller's indemnity obligations under Section 20.2.1 shall be subject to the following:

(1) If any claim is asserted against Buyer that would give rise to a claim by Buyer against Seller for indemnification under the provisions of this paragraph, then Buyer shall promptly give written notice to Seller concerning such claim and Seller shall, at no expense to Buyer, defend the claim.

(2) Seller shall not be required to indemnify Buyer for an amount that exceeds the total purchase price paid by Buyer under Section 3 of this Agreement.

20.3 Buyer's Indemnification. Buyer agrees to defend, indemnify, and hold harmless Seller from and against:

20.3.1 Any and all claims, liabilities, and obligations of every kind and description arising out of or related to the operation of the business following closing or arising out of Buyer's failure to perform obligations of Seller assumed by Buyer pursuant to this Agreement.

20.3.2 Any and all damage or deficiency resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Buyer under this Agreement.

21. CLOSING

21.1 Time and Place. This Agreement shall be closed at the offices of _____ at _____, on the 10th day of October, 2004, or at such other time as is required to secure FCC broadcast licenses. If, however, the closing has not occurred because of a breach of contract by one or more parties, the breaching party or parties shall remain liable for breach of contract.

21.2 Obligations of Seller at the Closing. At the closing and coincidentally with the performance by Buyer of its obligations described in Section 21.3, Seller shall deliver to Buyer the following:

21.2.1 Bills of sale, assignments, properly endorsed certificates of title, and other instruments of transfer, necessary to transfer and convey all of the Assets to Buyer.

21.2.2 The employment agreement described in Section 7.1.

21.2.3 The assignment of lease described in Section 7.2.

21.2.4 The real property deed described in Section 12.11.1

21.2.5 Possession of the business facilities to be conveyed pursuant to this Agreement.

21.2.6 Such other certificates and documents as may be called for by the provisions of this Agreement.

21.3 Obligations of Buyer at the Closing. At the closing and coincidentally with the performance by Seller of their obligations described in Section 21.2, Buyer shall deliver to Seller the following:

21.3.1 A cashier's check or a certified check in the amount specified in Section 5.1.

21.3.2 Such other certificates and documents as may be called for by the provisions of this Agreement.

22. RIGHTS AND OBLIGATIONS SUBSEQUENT TO CLOSING

22.1 Books and Records. This sale does not include the books of account and records of Seller's business. However, possession and custody of such books and records, except for Seller's general ledger, may be retained by Buyer at the place of business Buyer is acquiring from Seller under this Agreement for a period of 12 months. During this period, Seller or its agents shall have access to such books and records and may make copies thereof. Buyer will exercise reasonable care in the safekeeping of such records. Seller shall retain its general ledger but shall make it available for inspection by Buyer from time to time upon reasonable request.

23. DEFAULT

23.1 Remedies. If Buyer fails to perform any of the terms, covenants, conditions, or obligations of this Agreement or the Employment Agreement, time of payment and performance being of the essence, then Seller subject to the requirements of the notice provided in Section 23.2, may have any or all of the following remedies:

23.1.1 The right to exercise each and all of the remedies granted to Seller by the Oregon Uniform Commercial Code.

23.1.2 The right to have a receiver appointed to take possession, manage, and control the Collateral and collect the profits and pay the net income from the operation of the business as ordered by a court of competent jurisdiction. The right to appoint a receiver shall be available without regard to the adequacy of the security for the balance due Seller or the solvency of Buyer, or the absence of waste or danger of loss or destruction of the Collateral and without the necessity of notice to Buyer, it being understood that the careful and prudent management, care, and control of the Collateral is an essential form of Seller's security for the faithful performance of Buyer's obligations under this Agreement.

23.1.3 The right to exercise any other remedy available to the Seller.

23.2 Notice of Default. Buyer shall not be deemed in default for failure to perform the terms, covenants, and conditions of this Agreement, other than failure to make payments on the employment agreement, until notice of the default has been given to Buyer and Buyer has failed to remedy the default within 10 days after the notice. If Buyer fails to make any payment within 10 days after its due date under the Note, Buyer shall be deemed in default and Seller shall not be obligated to give any notice to Buyer of a declaration of default.

24. TERMINATION OF AGREEMENT

24.1 By Mutual Consent. This Agreement may be terminated by mutual written consent of Buyer and Seller.

24.2 Breach of Representations and Warranties; Failure of Conditions. Buyer may elect by notice to Seller, and Seller may elect by notice to Buyer, to terminate this Agreement if:

24.2.1 The terminating party shall have discovered a material error, misstatement, or omission in the representations and warranties made in this Agreement by the other party which shall not have been cured by such other party within 10 days after written notice to such other party specifying in detail such asserted error, misstatement, or omission, or by the closing date, whichever first occurs.

24.2.2 All of the conditions precedent of the terminating party's obligations under this Agreement as set forth in either Section 16 or 17, as the case may be, have not occurred and have not been waived by the terminating party on or prior to the closing date.

24.3 Closing Notwithstanding the Right to Terminate. The party with a right to terminate this Agreement pursuant to Section 24.2.1 or 24.2.2 shall not be bound to exercise such right, and its failure to exercise such right shall not constitute a waiver of any other right it may have under this Agreement, including but not limited to remedies for breach of a representation, warranty, or covenant.

25. MISCELLANEOUS

25.1 Time of Essence. Time is of the essence with respect to all dates and time periods in this Agreement.

25.2 Binding Effect. This Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.

25.3 Amendment. This Agreement may be amended only by a written document signed by the party against whom enforcement is sought.

25.4 Waiver. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

25.5 Severability. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

25.6 Further Assurances. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.

25.7 No Third-Party Beneficiaries. The parties do not intend to confer any right or remedy on any third party.

25.8 Termination. The termination of this Agreement, regardless of how it occurs, will not relieve a party of obligations that have accrued before the termination, except as specifically stated in this agreement.

25.9 Survival. All provisions of this Agreement that would reasonably be expected to survive the termination of this Agreement will do so.

25.10 Attachments. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.

25.11 Governing Law. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle of any jurisdiction.

25.12 Venue. Any action or proceeding arising out of this Agreement will be litigated in courts located in Deschutes County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.

25.13 Attorney's Fees. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

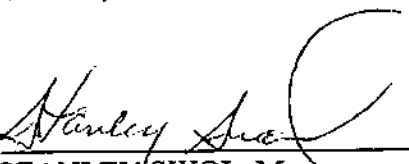
25.14 Entire Agreement. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement.

25.15 Signatures. This Agreement may be signed in counterparts. A fax transmission of a signature page will be considered an original signature page. At the request of a party, the other party will confirm a fax-transmitted signature page by delivering an original signature page to the requesting party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year hereinabove written.

SELLER

SS RADIO, LLC

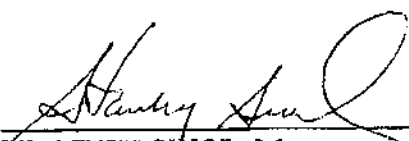
By: 
STANLEY SWOL, Manager
and Member

BUYER

By: 
LESLIE ANN CARSON, Manager

GUARANTOR

SMS PROPERTIES, LLC

By: 
STANLEY SWOL, Manager
and Member


LESLIE ANN CARSON