

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is dated as of the Effective Date as herein defined, by and between Meadows Media, LLC, a New Mexico limited liability company ("Seller") and Baca Broadcasting, LLC, a New Mexico limited liability company ("Buyer").

RECITALS

Whereas, Seller is the holder of a license issued by the Federal Communications Commission ("FCC") to operate FM radio station KLVF on 100.7 MHz licensed to Las Vegas, New Mexico ("Station") and of certain other authorizations relating to the Station (collectively with the license, the "FCC Authorizations"); and

Whereas, on the terms and conditions described herein, Seller desires to sell and Buyer desires to purchase the Station and certain of its assets, and

Whereas, such sale and purchase of the Station's assets requires the prior consent of the FCC, and specifically the agency's consent to the assignment of the Station license from Seller to Buyer (the "FCC Consent"); and

Whereas, on or about February 13, 2006, Buyer and its principals (as Programmer) and Seller (as Licensee) entered into a Management Agreement (the "Management Agreement"), pursuant to which Buyer has been managing the Station under the ultimate supervision of Seller;

Now therefore, in consideration of the foregoing and of the mutual promises made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Sale of Assets.

On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer and Buyer shall purchase, assume and receive from Seller, all of Seller's right, title and interest in and to the following assets (the "Assets"), but not including the Excluded Assets described in paragraph 2 below:

A. The FCC Authorizations for the Station as described in Schedule 1 (the "Licenses");

B. The tangible personal property set forth in Schedule 2 hereto ("Personal Property");

C. All of the Seller's right, title and interest in and to the land identified in Schedule 3 hereto ("Real Property");

D. All of the Seller's right, title and interest in the contracts and agreements listed in Schedule 4 hereto (the "Contracts");

E. All trademarks, service marks, copyrights, trade names, common law property rights, intellectual property, good will and all other intangible personal property owned by Seller and used by it in connection with the operation of the Station, including the Station's call sign (the "Intangible Property");

F. All logs, files, data, software, FCC and other governmental applications, equipment manuals and warranties (if any), and other records relating to the full on-air broadcast operations of the Station, including without limitation, all electronic data processing files and systems, FCC filings and all records required to be kept at the Station by the FCC.

G. The Assets shall be transferred to Buyer free and clear of all debts, security interests, mortgages, claims and other liens, liabilities and encumbrances of any kind and nature ("Liens"), except the lien for taxes not yet due and otherwise as expressly set forth herein.

H. Seller may (but shall have no obligation to) convey to Buyer that certain FCC Construction Permit (the "SF Booster"), authorizing construction of FM booster station KLVF-FM1 in Santa Fe, New Mexico, unless the SF Booster permit shall have been surrendered or forfeited pursuant to paragraph 13.

I. Seller may (but shall have no obligation to) convey to Buyer that certain FCC Construction Permit (the "LV Booster"), authorizing construction of FM booster station KLVF-FM2 in Las Vegas, New Mexico, unless the LV Booster permit shall have

been surrendered or forfeited pursuant to paragraph 13.

2. Excluded Assets.

The following Excluded Assets shall be retained by Seller and shall not be sold to Buyer:

- A. All cash on hand or in banks, pre-paid expenses, and tax deposits of Seller.
- B. All real property owned or to be held for use by Seller other than the Real Property identified on Schedule 3 hereto.
- C. Seller's corporate (LLC) records.

3. Purchase Price, Escrow Deposit and Contingencies.

A. **Purchase Price.** Upon the terms, and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets described herein, on the Closing Date, Buyer shall pay to Seller the sum of **Six Hundred Thousand Dollars (\$600,000)** (the "Purchase Price"). Such Purchase Price shall be allocated among the Station Assets as shown on Schedule 5 hereto, and as to any necessary detail beyond that, in a manner mutually acceptable to Buyer and Seller prior to the Closing. The parties agree that pursuant to Internal Revenue Code Section 1060, tax return filings and reports shall be made by each of the parties consistent with such allocation.

B. **Escrow Deposit.** Upon execution of this Agreement, Buyer shall make a good-faith deposit of **Five Thousand Dollars (\$5,000)** (the "Escrow Deposit") to secure its obligations hereunder. The deposit will be held by Territorial Title Co. of Las Vegas pursuant to a separate escrow agreement to be executed by Buyer, Seller and Escrow Agent no later than ten days from the Effective Date. At Closing, the Escrow Deposit shall be returned to Buyer, along with any interest earned thereon.

C. **Contingencies.** Consummation of this Agreement is contingent upon (1) the receipt of the FCC Consent, (2) receipt of a grant of the 301 Application (as defined in Section 13B hereof), and (3) either (a) bank financing and a written guarantee of the bank loan from the Small Business Administration, or, failing such guaranteed bank

financing, (b) the provision to Buyer of seller financing, on substantially the same terms that had been most recently proposed by Buyer's bank in good faith prior to the Closing Date, and Seller hereby commits to provide such financing, provided, however, that such commitment does not include a commitment to pay off any amount outstanding on Buyer's existing bank financing taken down connection with Buyer's purchase of station KFUN.

4. Proration.

The parties agree to prorate all prepaid items and items of revenue and expense arising out of the operation of the Station which are incurred or payable as of 11:59 p.m., local time, of the day preceding the Closing Date. Said proration shall occur within thirty (30) days of the Closing and may include, but not limited to: utilities, FCC regulatory fees, real and personal property taxes and prepaid expenses.

5. FCC Assignment Application and Consent.

Not later than fifteen business days from the date of this Agreement, Buyer and Seller shall execute and file an application with the FCC ("Assignment Application") requesting a grant of the FCC Consent. Buyer and Seller shall take all reasonable steps to cooperate with each other to secure such FCC Consent and to promptly consummate this Agreement following the receipt of such Consent. Each party shall pay one-half of the FCC application fee.

6. Closing Costs.

A. The Seller shall pay for the following:

- ☒ Title Commitment;
- ☒ Title Insurance Policy;
- ☐ Title Company Closing Fee;
- ☒ Seller Recording Fee;

B. The Buyer shall pay for the following:

- ☐ Title Company Closing Fee;

- ☒ Buyer Recording Fee;
- ☒ Escrow Set up Fee;
- ☒ Escrow close out fee.

7. Examination of Title.

Within ten days from the Effective Date, Buyer shall order a title commitment from Territorial Title of Las Vegas. Buyer shall have ten days from the date of its receipt of the title commitment ("review period") to examine the title to the Real Property and to report, in writing, any objections thereto. Special exceptions to the title shall be deemed approved unless written objection is delivered to Seller within the review period. If Seller is unwilling or unable to remove such exceptions before closing, Seller shall provide written notice to Buyer within five days after receipt of Buyer's objections. Buyer shall have ten days from receipt of Seller's notice ("Decision Period") to decide whether to close subject to such exceptions, or to terminate this Agreement. If, within the Decision Period, Buyer notifies Seller that Buyer elects to terminate this Agreement, the entire earnest money deposit shall be returned to Buyer and Seller shall be free to market the Station Assets for sale to another party or parties. If, at the end of the Decision Period Buyer has not given Seller written notice of termination, any objections Buyer may have raised to that point or that Buyer may raise thereafter to such title exceptions shall be deemed waived. In any event, standard exceptions to the title shall be deemed accepted by Buyer. If Buyer elects to remove any standard exceptions, then any additional expense connected with such removal shall be borne by Buyer.

Seller shall satisfy any assessments and liens, including but not limited to, all mechanics' and materialmen's liens of record, prior to closing, and shall indemnify and hold Buyer harmless from any liens filed of record after Closing which arise out of any claim related to the providing of materials or services to improve the Property as authorized by Seller, unless otherwise agreed to by the parties in writing.

8. Merchantable Title.

A policy of title insurance from Territorial Title of Las Vegas shall be furnished at closing showing evidence of good and merchantable title to the Real Property consistent with the title commitment previously obtained pursuant to paragraph 7.

9. Title Conveyed.

The Purchase Price shall for the whole of the Station Assets to be conveyed, including the fee simple absolute title in the Real Property, all improvements thereon, and all access rights and easements and all other easements, appurtenances, reversions, remainders, rents and profits appertaining or in connection with the Real Property from and after the Closing Date.

Subject to conditions as set out herein, upon full compliance of the provisions in this Agreement to be performed by Buyer, (a) Seller shall convey title to the Real Property to Buyer by statutory general warranty deed and with provisions consistent with this Agreement, subject only to any special assessments and conservancy district liens, zoning ordinances, patent reservation, easements and restrictive covenants as were present at the time Seller acquired the Real Property, or as have been approved by Buyer, and (b) Seller shall convey title to the remainder of the Assets by such documents as Buyer may reasonably require.

10. Closing Date.

The Closing of the purchase and sale transaction described in this Agreement shall occur on a business day designated by Buyer by written notice to Seller that is no later than six months from the date of the FCC Consent, provided, however, that if Buyer's expected bank financing is not funded at that time due to a refusal by the lender to supply the loan funds until the FCC Consent has become final and unappealable, the Closing will be deferred until a date designated by Buyer that is no more than 20 business days from the date when the FCC Consent has become final and unappealable. If the Buyer's bank has still not funded the loan for the consummation of this transaction within the 20 business days following FCC finality, the parties shall still proceed to Closing and Seller shall provide financing to Buyer on the same terms as had most recently been proposed by the bank. Seller may not require Buyer to accept such Seller financing at any time prior to the date that is 20 business days following FCC finality. Closing shall occur beginning at 10 am on the Closing Date at the studios of the Station or at another place in Las Vegas, New Mexico that is mutually agreeable to Buyer and Seller. The Management Agreement shall continue in full force and effect until the Closing or such other date upon which this Agreement is terminated pursuant to the terms hereof, but if the Closing does not occur within the six months following

the date of the FCC Consent, the monthly Management Fee under the Management Agreement shall be increased as follows during the periods beginning six months after date of FCC Consent: to \$4,000 per month during the first year, to \$4,650 per month during the second year, to \$5,300 per month during the third year, and to \$5,950 per month thereafter.

11. Representations and Warranties of Seller.

Seller hereby makes the following representations and warranties to Buyer, which representations and warranties are true as of the date hereof and which shall be true on the Closing Date:

A. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New Mexico. Seller has all necessary power and authority to execute and deliver this Agreement and to consummate the Transactions.

B. The execution and performance of this Agreement will not conflict with or result in any breach of the Articles of Organization or Operating Agreement of Seller or violate any law, statute, rule or decree of any federal, state or local governmental authority, or any agreement or commitment to which Seller or the Assets is bound.

C. Seller holds the Licenses as shown on Schedule 1 herein. The Licenses are in full force and effect and in good standing with the FCC.

D. Seller has good and marketable title to all Personal Property Assets on Schedule 2 herein. The assets listed in Schedule 2 are all of the material tangible property needed to operate the Station in the manner authorized by the Licenses and in the manner in which the Station is operated at present. The Assets are not subject to any liability, commitment, indebtedness or obligation of any kind whatsoever. Seller makes no warranty as to the condition of any of such Personal Property, all of which shall be conveyed as is, where is.

E. Seller has good and marketable title to all Real Property Assets on Schedule 3 herein.

F. There is no adverse action by the FCC or any court, pending or threatened, against the Station.

G. To Seller's knowledge, there are no material amounts of hazardous or toxic substance or waste contained in any of the Personal or Real Property to be transferred to the extent that the presence of such substances would constitute a violation of any environmental laws.

H. The Intangible Property includes all of the intellectual property rights currently used to promote or identify the Station or otherwise needed for or used in its business or operation, and all of which are in good standing and uncontested. Seller has no knowledge of any infringement or unlawful or unauthorized use of the Intangible Property.

I. All Contracts are valid, binding, and enforceable by Seller in accordance with their terms. Neither Seller nor, to Seller's knowledge, any other party to such Contracts is in material breach or default on any of the Contracts, there is no claim or threat of breach or default by Seller or, to Seller's knowledge, by any other party thereto. Seller will use its reasonable best efforts to procure the written consent of all contracting parties to the assignment of the Contracts if such consent is required by the terms of such Contracts.

J. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the Transactions as a result of any agreement or action of Seller or any party acting on Seller's behalf.

12. Representations and Warranties of Buyer.

Buyer hereby makes the following representations and warranties, which representations and warranties are true as of the date hereof and which shall be true on

the Closing Date:

- A. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New Mexico. Buyer has all necessary power and authority to execute and deliver this Agreement and to consummate the transactions described herein.
- B. The execution and performance of this Agreement will not conflict with or result in any breach of the Articles of Organization or Operating Agreement of Buyer or violate any law, statute, rule or decree of any federal, state or local governmental authority.
- C. Buyer is legally, financially and technically qualified to acquire the Station.
- D. There is no FCC or legal action, pending or threatened, against Buyer.
- E. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the Transactions as a result of any agreement or action of Buyer or any party acting on Buyer's behalf.

13. Covenants

A. Subject to express limitations contained elsewhere herein, each party (a) shall cooperate fully with one another in taking any commercially reasonable actions (including without limitation, action to obtain the required consent of any governmental instrumentality or any third party) necessary or helpful to accomplish and close the transactions contemplated by this Agreement, including but not limited to the prompt satisfaction of any condition to Closing set forth herein, and (b) shall not take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect.

B. Within thirty days from the Effective Date, Seller shall provide to Buyer a draft application with the FCC (the "301 Application") for a new construction permit requesting that KLVF remain assigned to Las Vegas, using the currently-licensed transmitter site and providing coverage at least as extensive as that provided by the existing licensed facilities of the Station, if such 301 Application has not already been filed with the FCC by the Effective Date. The 301 Application may also request an Effective Radiated Power ("ERP") for KLVF in excess of 50 KW. The 301 Application

shall be submitted to the FCC promptly upon (1) Buyer's approval or the expiration of the five day notice period described below, and (2) the surrender of the existing CP contemplating relocation of the Station to Pecos, New Mexico (the "Pecos CP"). Buyer shall have the right to review the 301 Application prior to its submission to the FCC. Unless Buyer objects in writing to the 301 Application, by notice delivered to Seller within five business days after Seller has transmitted a copy of the 301 Application to Buyer, Buyer shall be deemed to have accepted the form and substance of the 301 Application. Absent such objection, Buyer shall, before the Closing Date, take no action to obstruct the prosecution of the 301 Application. If Buyer does object to the 301 Application as provided herein, then Seller shall not file the 301 Application or, if filed, Seller shall work with Buyer to resolve Buyer's concerns relating to the 301 Application. If such concerns cannot be resolved within thirty days from the date of Buyer's objections, either party may terminate this Agreement by written notice to the other party, and without further obligation to the other party. After the Closing Date (if the 301 Application has not been granted by such time, and notwithstanding that the parties shall have no obligation to close unless the 301 Application shall have been granted by the Closing Date) Buyer shall use its commercially reasonable efforts to prosecute the 301 Application in its own name unless and until such Application is granted or Seller excuses Buyer from such duty. Further, Buyer shall pursue the implementation and effectuation of the construction permit (original or modified) resulting from the 301 Application, to and including the filing of a covering license application with the FCC, unless and until Buyer is released from such duty by Seller.

C. Buyer acknowledges that Seller has conducted certain negotiations with Immaculate Heart Radio ("IHR"), licensee of KXXQ, Milan, New Mexico, also operating on 100.7 MHz, to maximize service to the public on this frequency by a combination of possible changes to the facilities of the Station and/or KXXQ, and that the instant Agreement has been negotiated with a view to protecting the interests of Seller in and to the potential outcome of negotiations with IHR. Seller acknowledges that upon execution of this Agreement Buyer has certain expectations as to the facilities of the Station and has agreed to enter into this Agreement with the understanding that its expectations are not to be frustrated by Seller without Buyer's consent. Accordingly, at any time up to and including the Closing Date, Seller shall have the right to propose changes in the facilities of the Station so as to relocate the predicted signal contour of the Station (including the 301 Application, and/or any future application on FCC Form 301) in order to permit IHR to relocate the facilities of KXXQ, and Buyer agrees to

consider such changes, advise Seller whether it approves of them or not, and, if Buyer approves, assume such agreement, if any, as of the Closing Date and thereafter, subject to the preservation of Seller's financial interest therein. If Buyer does not approve of a proposed agreement with IHR, then Seller shall not enter into that agreement, unless such agreement will leave the Station with facilities providing coverage at least as extensive as that provided by the existing licensed facilities of the Station, but if such agreement would leave the Station with facilities at least equivalent to the Station's existing licensed facilities and the compensation to be paid to Buyer thereunder would fully compensate Buyer for all of its actual costs in effecting any required change in the Station's transmitter site, then Seller shall be allowed to enter into such agreement with IHR, and Buyer shall be required to honor it. It is impossible to predict whether such negotiations may be completed, or whether any agreement reached pursuant to such negotiations may be consummated, before the Closing Date, but the covenants set forth in this Section shall survive the Closing Date for a period of ten years. Buyer further acknowledges that the Purchase Price specified herein has been negotiated without regard to any representation or guarantee that the Station may or may not ultimately be able to operate with the facilities described in the 301 Application. Accordingly, Buyer agrees to accept the Station Assets as fully complying with this Agreement notwithstanding the condition that the Station Assets may be subject to such an agreement with IHR that would restrict the area that could be served by the Station in order to accommodate a facilities upgrade by KXXQ, so long as the conditions of this Paragraph are satisfied. Buyer further covenants that it will cooperate in effectuating such modification of the Station's FCC-authorized facilities as may be necessary or appropriate to implement an agreement with IHR or its successor to upgrade the facilities of station KXXQ, and that Buyer will neither interpose any objection, nor will it encourage or assist any other party in objecting, to any such modification of the facilities of the Station or of station KXXQ except such modifications as may violate this Paragraph, or as may be authorized by Seller in writing. Eighty percent of any compensation paid to Buyer, Seller or any party associated with Buyer, directly or indirectly, by IHR or any other party seeking to benefit IHR (or by or on behalf of or for the benefit of any successor licensee of KXXQ) shall be and remain the property of Seller notwithstanding that such consideration may be paid or provided subsequent to Closing, and the remaining 20% of any such compensation shall be paid to Buyer. Each of Buyer and Seller hereby covenant to pay over to the other promptly its respective share of any such consideration of such nature that Buyer or Seller may receive on account of any agreement approved by Buyer with IHR. Seller will pay all engineering

costs and FCC fees that may be necessary or appropriate in order to prepare and prosecute the 301 Application or any modification thereof that Seller may propose be undertaken in order to facilitate the objectives of this Section.

14. Covenant not to compete.

A. For a period of five years, commencing with the Closing Date, the Seller and its members shall not, without Buyer's prior written consent, and within the territorial limits of the County of San Miguel, establish, engage in or become interested in financially or otherwise, directly or indirectly, whether as an officer, director, owner, partner, employee, agent or more than two percent (2%) owner of any AM or FM radio station or other activity in competition with or adverse to any business now conducted at the Station, provided, however, that this covenant shall not bar Seller or the members of Seller from pursuing radio station ownership opportunities and changes in facilities of stations that would primarily serve counties or markets to the west and south of San Miguel County. One Thousand Dollars (\$1,000) of the Purchase Price shall be allocated to this covenant not to compete.

B. Buyer may take whatever action at law or in equity as may be in its sole judgment necessary or desirable to enforce performance and observance of any obligation, agreement or duty of Seller under this covenant not to compete. The parties hereto recognize that irreparable injury may be suffered by Buyer and its business and property in the event of breach of this covenant by Seller. It is agreed that in the event of the breach of this agreement not to compete, Buyer shall be entitled, in addition to any other remedies or damages available, to an injunction (either temporary or permanent) to restrain any violation of this covenant by Seller.

C. This covenant not to compete shall inure to the benefit of Buyer and shall be binding upon Seller, and its respective successors and assigns.

15. Closing Documents.

At Closing, Seller will execute and deliver to Buyer all documents, assignments, transfers, certificates, notices and deeds as required by law or by this Agreement and other documents as are reasonably necessary in the judgment of counsel for Buyer to effect the purposes of this Agreement. Buyer will deliver the purchase price as

specified in this Agreement and such assumptions and other documents as are reasonably necessary in the judgment of counsel for Seller to effect the purposes of this Agreement.

16. Indemnification.

Seller shall indemnify and hold Buyer harmless with respect to any and all demands, actions, suits and proceedings resulting from or imposed upon Buyer arising from this Agreement. Buyer shall indemnify and hold Seller harmless with respect to any and all demands, actions, suits and proceedings resulting from or imposed upon Seller arising from this Agreement. In all cases, each party agree to pay its own legal and attorney's fees and other costs except to the extent set forth in Section 18 hereof and to the extent that the indemnification obligation of the party found to be primarily in breach hereof shall require such party to reimburse the other for legal expenses incurred in enforcing this Agreement, including legal fees incurred in research, analysis and negotiations leading up to or contemplating litigation (and/or mediation and/or arbitration) from the date of such breach as well as in the dispute resolution process, through the conclusion of dispute.

17. Termination.

[Reserved]

18. Breach of the Agreement; Dispute Resolution.

A. The parties agree that if either party refuses to consummate the Closing (other than by reason of a contingency listed in paragraph 3 not having been met) or otherwise is in material breach pursuant to the provisions of this Agreement and the other party is not in breach of its obligations hereunder, the breaching party shall then be in default. The non-breaching party shall give the breaching party notice of such default and a reasonable period within which to cure such default. Specifically, the "Cure Period" shall be a period commencing on the date when a party in breach or default receives from the other party a written notice of breach or default hereunder, and continuing for ten business days thereafter. If the Default has not been cured by the expiration of the Cure Period (or, as to any default other than a failure to tender the Purchase Price at Closing, such additional reasonable time as the circumstances may

warrant provided the party in Default undertakes diligent, good faith efforts to cure the Default within such ten day period and continues such efforts thereafter), then the non-Defaulting party giving such notice may exercise the remedies available to such party pursuant to this Section, subject to the right of the other party to contest such action through appropriate proceedings. Except as set forth below, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Should Buyer be the breaching party, the Escrow Deposit shall be released to Seller as liquidated damages, it being agreed that calculation of Seller's damages would be difficult and complex and that the amount of the Escrow Deposit is a fair and reasonable estimate and shall constitute Seller's exclusive remedy for termination due to a material breach by Buyer, and in addition Seller shall further retain the right to enforce this Agreement and seek damages, as well as to obtain injunctive relief, in respect of any actions by Buyer in violation of its duties pursuant to Section 13 hereto. Should Seller be the breaching party, Buyer may, at its sole option, obtain immediate return of the Escrow Deposit, and in addition Buyer shall further retain the right to specifically enforce this Agreement and seek damages for Seller's breach, it being agreed by the parties that the Assets are unique and cannot be obtained on the open market, nor can the value of the loss of an opportunity to acquire the Assets pursuant to the terms of this Agreement be readily calculated. Should either party breach this Agreement, the other party shall be held harmless by the breaching party for all costs of enforcement, including attorneys fees, expert witness fees, arbitration fees and other costs of whatever nature, plus a reasonable allowance for the time of its members in dealing with such matter.

B. Any dispute arising out of or related to this Agreement that Seller and Buyer are unable to resolve by themselves shall be settled by arbitration at a location to be designated by Seller in Las Vegas, New Mexico. Within twenty business days from the date when Seller shall have given notice to Buyer that Buyer's breach hereof has not been cured within the cure period, or when Buyer shall have given notice to Seller that Seller's breach hereof has not been cured within the cure period, Seller and Buyer shall each designate one independent representative, and the two representatives so designated shall select the arbitrator. The person selected as arbitrator need not be a professional arbitrator, and persons such as lawyers, broadcasters, accountants, broadcast brokers and bankers (or a person with a combination of such skills) shall be acceptable, with particular preference to individuals knowledgeable concerning the radio broadcast industry and an additional preference based on the reasonableness of

the fee with which such arbitrator shall agree to hear the matter. Before undertaking to resolve the dispute, the arbitrator shall be duly sworn faithfully and fairly to hear and examine the matters in controversy and to make a just award according to the best of his or her understanding, including an award of money damages and/or injunctive relief as specifically provided for elsewhere in this Agreement. The arbitration hearing shall be conducted in accordance with the commercial arbitration rules of the American Arbitration Association then in effect, except that the parties' representatives shall not be required to appoint an arbitrator approved by the AAA, and the parties shall be under no duty to pay any fee to the AAA in connection with such arbitration. The written decision of the arbitrator shall be final and binding on Seller and Buyer. The costs and expenses (including reasonable attorneys' fees and the arbitrator's fees) of the arbitration proceeding shall be assessed between Seller and Buyer in a manner to be decided by the arbitrator based on determination of which party shall be more at fault in respect of the matters in dispute, and the assessment shall be set forth in the decision and award of the arbitrator. If the award is not paid and performed within ten business days (including a failure of the defaulting party to take any action as directed by the arbitrator, or refrain from taking action as directed by the arbitrator), then judgment on the award may be entered in any court having jurisdiction over the matter. Each party hereto consents to jurisdiction and venue over such enforcement proceeding in the state courts of San Miguel County, New Mexico. No proceeding based upon any claim arising out of or related to this Agreement shall be instituted in any court by Seller or Buyer against the other except (i) an action to compel arbitration pursuant to this Section, and (ii) an action to enforce the award of the arbitrator rendered in accordance with this Section.

19. Notices.

All notices and communication required to consummate this Agreement shall be delivered by traceable mail (including email) or same day or overnight delivery service to:

Seller: **Meadows Media, LLC**
P.O. Box 1689
Luquillo, PR 00773
Attn: Will Sims
Email: amigo@willsims.net

with a copy
(which shall
not constitute
notice) to:

Barry D. Wood
Wood, Maines & Nolan, PC
4121 Wilson Blvd., Suite 101
Washington DC 20036
Email: wood@legalcompass.com

Buyer: **Baca Broadcasting, LLC**
P.O. Box 700
Las Vegas, NM 87701
Email: jpbaca1946@yahoo.com

with a copy
(which shall
not constitute
notice) to:

Peter Gutmann
Womble, Carlyle, Sandridge & Rice PLLC
1401 Eye St., NW, Suite 700
Washington, DC 20005
Email: pgutmann@wcsr.com

20. Governing Law.

This Agreement shall be construed and enforced in accordance with the laws of the State of New Mexico, the Communications Act of 1934, as amended, and the Rules and Regulations of the FCC. Buyer may not assign this Agreement (except by operation of law), without the prior written consent of Seller, to be granted or denied in Seller's sole discretion.

21. Assignment.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors, heirs and permitted assigns.

22. Entire Agreement.

This Agreement and the five Schedules attached hereto embody the full and entire

understanding between the parties, and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. This Agreement may be executed in separate counterparts, both of which together will constitute the entire Agreement.

23. Attorney's Fees.

Notwithstanding anything to the contrary in this Agreement, any party to this Agreement who prevails in any arbitration or other legal proceeding brought under or with relation to this Agreement or transaction shall be entitled to recover court costs and reasonable attorney's fees from the date of the other party's breach through the date of the rendering of full performance, payment and satisfaction by the breaching party.

24. Time of the Essence.

Time is of the essence of this Agreement and of each and every provision hereof.

25. Survival.

Except as otherwise provided herein, the representations, warranties, covenants and agreements contained herein and in any certificate or other instrument delivered pursuant hereto shall be deemed and construed to be continuous and shall survive the Closing hereunder for a period of two years.

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In witness whereof, the parties have executed this Agreement on the dates shown below, intending it to be effective as of the last date of such signature, which shall be the Effective Date hereof:

SELLER:

Meadows Media, LLC

By: 

William R. Sims, Member

07/16/2008
Date

BUYER:

Baca Broadcasting, LLC

By: 

Joseph P. Baca, Member

07/16/2008
Date

Schedule 1

The FCC license for FM radio broadcast station KLVF, FCC File No. BLH-19890626KA.

Seller's rights to the 301 Application.

The construction permit (File No. BNPFTB-20060518ACZ) for FM radio broadcast booster station KLVF-FM1, Santa Fe, New Mexico, unless such permit shall have expired, or Seller, in Seller's sole discretion, shall have surrendered such permit by the Closing Date.

The construction permit (File No. BNPFTB-20060518ADA) for FM radio broadcast booster station KLVF-FM2, Las Vegas, New Mexico, unless such permit shall have expired, or Seller, in Seller's sole discretion, shall have surrendered such permit by the Closing Date.