

MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Agreement") is executed on August ~~23~~ 2011 by and among the "Members" identified below, Ingalls Holdings, LLC ("Company"), and Majestic Communications, LLC ("Purchaser").

PRELIMINARY STATEMENT

WHEREAS, there are two membership units in the Company;

WHEREAS, David Ingalls and Trisha Ingalls (collectively the "Members") own the above membership interests, which constitute all of the outstanding membership interests in the Company (the "Interests"); and

WHEREAS, the Company owns and operates the radio broadcast stations listed on Schedule 1 attached hereto, pursuant to authorizations issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, the Purchaser desires to acquire the Interests from Members, and the Members desire to sell the Interests to the Purchaser, upon the terms and subject to the conditions hereinafter set forth; and

WHEREAS, said sale and purchase requires the prior approval of the FCC;

NOW THEREFORE, in consideration of the premises and of the respective representations, warranties, covenants, agreements and conditions contained herein, the parties hereto agree as follows:

AGREEMENTS

SECTION 1. PURCHASE AND SALE

The Members hereby agree to sell the Purchaser the Interests, free and clear of all liens, mortgages, pledges, security interests, and other encumbrances, and the Purchaser hereby agrees to acquire and purchase the Interests, subject to the terms and conditions set forth in this agreement.

SECTION 2. PURCHASE PRICE

The Purchase Price for the Interests is \$260,000.00, which is tendered into escrow at Landmark Title, Roswell, New Mexico contemporaneously herewith. Landmark Title shall serve as the facilitator of the "Closing" hereinafter defined.

In order to reduce the administrative difficulties sometimes encountered by escrow agents in determining the correct disposition of escrowed funds, the parties hereto irrevocably instruct the escrow agent holding the funds described in this Section 2 as follows in connection with the funds that it is holding: (i) if the Purchaser delivers to the escrow agent and the Members a written certification that the Purchaser is terminating the agreement in accordance with the provisions of this Agreement, and the Members, either of them, do not deliver a written objection to the escrow agent and the Purchaser within five (5) business days of the receipt of such certification, then in such event, the escrow agent shall return to the Purchaser the moneys placed into escrow, including any interest accrued thereon; or (ii) if the Purchaser delivers to the escrow agent and the Members a written certification that the Purchaser is electing to consummate the

transaction contemplated by this Agreement, then in such event, the escrow agent shall make arrangements for a wire transfer to the agent closing the transaction, as directed by the Purchaser, and shall wire to such closing agent all funds held in the escrow account. The parties agree that under no circumstances shall the funds being held in escrow pursuant to the provisions of this Section 2 be deemed to be liquidated damages, available to the Members in the event of a default by Purchaser under the terms of this Agreement.

SECTION 3. CLOSING

The closing of the sale and purchase of the Interests ("Closing") shall occur within the sooner of (A) five (5) business days of FCC approval for said sale and purchase, as described in Section 4 below, (B) 75 days from the date hereof, or (C) such later date as the parties may mutually agree. On the date of the Closing, the Purchaser will pay to the Members an amount equal to the Purchase Price for the Interests and the Members will deliver to the Purchaser a certificate or certificates, if any, evidencing the Interests and return any Interest certificates in their possession to the Company. Members will also deliver to Purchaser originals or copies of all business records of the Company. Should Closing not occur by reason of the default of any party, the non-defaulting party may, at its option, either terminate this Agreement and proceed with its then existing remedies at law or in equity with respect to the Property, or seek specific performance of this Agreement. Should Closing not occur for any other reason, this Agreement shall automatically terminate and the parties shall have their then-existing rights at law or in equity as if this Agreement had never existed.

SECTION 4. FCC AND OTHER APPROVAL

4.1. Within five (5) business days after the date of this Agreement, the Members, the Purchaser and the Company shall prepare and submit to the FCC an application (the "FCC Application") requesting the FCC's consent for the transaction specified in this Agreement (the "FCC Consent"). The Members, the Purchaser and the Company shall take all reasonable steps to cooperate with each other and with the FCC to obtain the FCC Consent without delay.

4.2. The FCC filing fees for the FCC Application and all costs of preparing and obtaining approval of the FCC Application shall be paid by Purchaser.

4.3. The Members will cause the Company to broadcast on the radio stations listed on Schedule 1 the announcements required by Section 73.3580 of the FCC's rules necessitated by the filing of the FCC Application with the FCC.

SECTION 5. REPRESENTATIONS OF PURCHASER

As an inducement for the Members to enter into the transactions contemplated by this Agreement, the Purchaser hereby represents, warrants, covenants, agrees, and acknowledges as of the date of this agreement as follows:

5.1. *Purchaser Good Standing.* Purchaser is (i) an entity duly organized, validly existing and in good standing under the laws of the State of New Mexico, and (ii) has all requisite power and authority under its Articles of Organization and Operating Agreement to carry on its business as presently conducted.

SECTION 6. REPRESENTATIONS OF THE MEMBERS AND THE COMPANY

As an inducement for the Purchaser to enter into the transactions contemplated by this Agreement, the Members and the Company hereby represent, warrant, covenant, agree, and acknowledge as of the date of this agreement as follows:

6.1. *Organization.* The Company is a company duly organized, validly existing and in good standing under the laws of the State of New Mexico and has all requisite corporate power and authority to carry on its business as presently conducted.

6.2. *No Default.* The Company is not in default (a) under its Articles of Organization or its Operating Agreement (correct and accurate copies of which, together with any amendments thereto were made available to purchaser), or any indenture, mortgage, lease agreement, contract, purchase order, or other agreement or instrument to which the Company is party or by which it or any of its property is bound or affected (correct and accurate copies of which, if any, were made available to purchaser) or (b) with respect to any order, writ, injunction, or decree of any court of any Federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign. There exists no condition, event, or act which constitutes, nor which after notice, lapse of time, or both, would constitute a default under any of the foregoing.

6.3. *Tax Matters.* The Company has filed or will immediately file all Federal, state, local, and foreign tax returns which are required to be filed by it, and all such returns are/will be true and correct. The Company has paid or will pay all taxes pursuant to such returns or pursuant to any assessment received by it or which it is obligated to withhold from amounts owing to any employee, creditor, or third party. The Company has not waived any statute of limitations with respect to taxes or agreed to any extension of time with respect to any tax assessment or deficiency. By K-1s sent by the Company to the Members and Purchaser, or other appropriate means, income from the operation of the Company's business prior to June 30, 2011 will be attributed to the Members and income from the Company's operations from July 1, 2011 forward will be attributed to Purchaser. On or before the Closing, Members shall provide to Purchaser a certificate from lawful authority stating that New Mexico gross receipts taxes have been timely paid to the date of the certificate.

6.4. *Agreements Relating to the Interests.* Except as disclosed in writing prior to the date of the Closing, there are (a) no outstanding options, agreements, or other commitments of any kind pursuant to which the Company is or may become obligated to issue any Interests, or other similar rights to purchase or otherwise acquire Interests in the Company pursuant to any provision of law, the Articles of Organization or Operating Agreement of the Company, in each case as amended to the date hereof, or any agreement to which the Company is a party, or otherwise, and except as disclosed in writing prior to the date of the Closing, there is no agreement, restriction, or encumbrance (such as a right of first refusal or right of first offer) that the Company has agreed to or by which the Company is bound or, to the best of the Company's knowledge, to which any other person has agreed to or by which any other person is bound, with respect to the sale or voting of any Interests.

6.5. *Subsidiaries and Other Entities.* The Company does not own, directly or indirectly, any proprietary interest in any domestic corporation, association, trust, partnership, joint venture, or other business entity.

6.6. *Litigation and Investigations.* Except for a currently pending EEOC Complaint filed by L.A. Hawkins (the "Hawkins Complaint"), there is no action, suit, customer claim, proceeding, or investigation at law or in equity or by or before any governmental instrumentality or other agency now pending or threatened against or affecting the Company nor, to the best knowledge of the Members, does there exist any basis therefor. Members believe, but do not warrant and invite Purchaser to satisfy itself in this regard, that no damages will be adjudged to be owing by the Company incident to the Hawkins Complaint.

6.7 *Veracity of Financial Information.* To the best of Members' knowledge, the Company financial information made available to purchaser is complete and correct as of June 30, 2011, being the date from which the Purchase Price was determined by Purchaser.

6.8. *Status of Interests.* When the Interests are sold and delivered, the Interests will be validly issued and outstanding, fully paid and non-assessable, and not subject to preemptive or any other similar rights of the Members or others.

6.9 *Employee Matters.* All employees of the Company are at will and there are no employment contracts, profit sharing plans, or similar employment matters in effect that bind the Company in any way. Purchaser has been made aware by Members that there is a non-compete agreement in effect regarding Roger Morgan. If Members are employees or officers of the Company, they will resign effective as of the Closing.

SECTION 7. CONDITIONS TO CLOSING

7.1. *Inspection.* For a period of 45 days from the date hereof, the Purchaser and its advisors shall have full and free access and opportunity to inspect, review, examine, and inquire about all books, records, and information (financial or otherwise) of the Company, its business and affairs; in order to make such inspection, review, examination, and inquiry as it deems appropriate. The Purchaser and its advisors will, during the above period, be given the opportunity to ask such questions and obtain such additional information concerning the Company and its business and affairs as it thinks necessary to understand the nature of its investment in the Interests and to verify the accuracy of the information obtained as a result of its investigation. The foregoing in no way negates or alters the representations made herein as to the accuracy of the information attached hereto. At the end of the inspection period, Purchaser may, in its sole discretion, elect to close or to terminate this Agreement, and shall notify Members of its election. Purchaser will, in the event it elects to terminate this Agreement, be responsible for all costs incurred in withdrawing the FCC Application. The Members make no representations as to the condition of the Company's property and said Purchaser is relying on its own independent inspection thereof. Without limiting the generality of the foregoing, Purchaser acknowledges that the transmission tower for Station KBCQ(AM) listed on Schedule 1 is located on property owned by the Company, but the same is subject to the liens of various taxing entities unrelated to the Company or the Members.

SECTION 8. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations and warranties of the parties contained in this agreement shall continue through and survive the Closing. Should any event occur prior to Closing that would make any representation incorrect or misleading, the affected party shall immediately make such information available to the other parties hereto.

SECTION 9. MISCELLANEOUS PROVISIONS

9.1. *Binding Effect.* The provisions of this agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties.

9.2. *Notice.* Any notice or other communication required or permitted to be given under this agreement shall be in writing which may be hand-delivered, sent by fax with delivery confirmation, sent via commercial courier with delivery receipt, or sent by certified mail, return receipt requested, addressed to the parties at the following addresses/fax numbers:

Members:

P.O. Box 1670
Roswell, NM 88201
575-1022-9041 - Fax

Purchaser:

P.O. Box 464
Roswell, NM 88202

All mailed notices and other communications shall be deemed to be given at the expiration of three days after the date of mailing. The address or fax number of a party to which notices or other communications shall be given may be changed from time to time by giving written notice to the other parties.

9.3. *Litigation Expense.* In the event of a default under this agreement, the defaulting party shall reimburse the non-defaulting party or parties for all costs and expenses reasonably incurred by the non-defaulting party or parties in connection with the default, including without limitation attorney's fees. Additionally, in the event a suit or action is filed to enforce this agreement or with respect to this agreement, the prevailing party or parties shall be reimbursed by the other party for all costs and expenses incurred in connection with the suit or action, including without limitation reasonable attorney's fees at the trial level and on appeal.

9.4. *Waiver.* No waiver of any provision of this agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9.5. *Name Change.* Purchaser will change the name of the Company to remove the term "Ingalls" as soon as is practicable after the Closing.

9.6. *Applicable Law.* This agreement shall be governed by and shall be construed in accordance with the laws of the State of New Mexico. Venue for any action related to the Agreement will be in Chaves County New Mexico.

9.7. *Mutual Indemnity.* Members indemnify and hold Purchaser harmless from any and all claims, demands or actions arising from or related in any way to the Company, its assets or operations, or the Interests, up to the Closing. Purchaser indemnifies and holds Members harmless from any and all claims, demands or actions arising from or related in any way to the

Company, its assets or operations, or the Interests, on and after the Closing. In the event a claim is made against Members arising from their operation of the Company prior to the Closing, the applicable books and records of the Company shall be made available to them by Purchaser.

9.8. *Entire Agreement.* This agreement constitutes the entire agreement between Members and Purchaser. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all parties.

9.9. *Representation by Counsel/Voluntary Execution:* All parties have either been represented by counsel or have had full opportunity to obtain such representation in the negotiation of this transaction. All parties enter into this Agreement of their own free will and fully understand all aspects of this transaction.

9.10. *Brokers/Commissions.* No brokers have been involved in the negotiation of this Agreement and no commissions will become due in connection with the acquisition of the Interests as contemplated herein.

INGALLS HOLDINGS, LLC

By: _____

Trisha Ingalls, Member

Trisha Ingalls

David Ingalls

MAJESTIC COMMUNICATIONS, LLC

By: _____

James Matteucci, Member

SCHEDULE 1

**Radio Stations Owned by
Ingalls Holdings, LLC and
Subject to This Agreement**

Call Sign	Community of License	FCC Facility ID Number
KBCQ(AM)	Roswell, NM	14926
KBCQ-FM	Roswell, NM	57722
KMOU(FM)	Roswell, NM	14927
KSFX(FM)	Roswell, NM	57720
KQAY(FM)	Tucumcari, NM	54167
KTNM(AM)	Tucumcari, NM	54166