

AGREEMENT FOR PURCHASE OF RADIO STATION KBMI (FM)

THIS PURCHASE AGREEMENT (the "**Agreement**") is made as of October 22, 2004 by and among Horizon Broadcasting, Inc., an Iowa corporation and the American Radio Mission Foundation, a certified Iowa 501(c)(3) organization, (collectively the "**Seller**") and Border Media Partners, LLC, a Delaware limited liability company ("**Buyer**").

WITNESSETH

WHEREAS, Seller desires to sell Radio Station KBMI (FM) Roma, Texas ("**Station**");
and

WHEREAS, Buyer desires to purchase said Station, under the terms and conditions stated herein; and

WHEREAS, the consummation of this Agreement is subject to the prior approval of the Federal Communications Commission ("**FCC**");

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions herein contained, the parties agree as follows:

1. **Station Assets.** The "Station Assets" shall be defined for the purposes of this Agreement as the transmitter, antenna and all of the licenses, permits and other authorizations issued by the FCC, used, useful or held for use in connection with the operation of the Station (the "**FCC Authorizations**"). The parties agree that Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined), all of Seller's rights, title and interest in the Station Assets. The Station Assets shall be sold and conveyed to Buyer by instruments of conveyance in form reasonably satisfactory to Buyer and free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, and encumbrances of any kind or type whatsoever.

2. **Price and Terms.** Buyer agrees to purchase the Station Assets from Seller for the sum of **THREE HUNDRED FORTY THOUSAND DOLLARS (\$340,000.00)**. Upon Closing, the Purchase Price shall be paid by Buyer in immediately available funds to be directed pursuant to Seller's instructions. Seller shall provide Buyer wire transfer instructions not less than three (3) days prior to the Closing Date.

3. **Allocation of Purchase Price.** The allocation of the Purchase Price shall be determined by mutual agreement of the parties on or before the Closing Date.

4. **Earnest Money.** Upon execution of this Agreement, Buyer shall pay to Seller Twenty-Five Thousand (\$25,000) Dollars as earnest money (the "Earnest Money"). The Earnest Money shall be credited against the agreed upon purchase price of the Station upon Closing. In the event of a breach of this Agreement by Buyer, Seller may apply these funds to any costs or losses incurred because of Buyer's breach.

5. **Possession.** Seller shall have full possession and control of the Station Assets covered by this Agreement until the sale is approved by the FCC and Closing takes place. Thereafter, Buyer shall have full possession and control of the Station Assets and unlimited supervision over the programs broadcasts on the Station.

6. **Applications for FCC Consent.** Seller and Buyer will cooperate to file, as soon as practicable following the execution of this Agreement, an application with the FCC requesting the FCC's written consent to the assignment of the Station's FCC Authorizations to Buyer and for the consummation of this transaction. (the "**Application**"). Seller will diligently take, or cooperate in the taking of, all steps that are necessary, proper or desirable to expedite the prosecution of the Application to a favorable conclusion. Seller also agrees to cooperate with Buyer with respect to the filing and prosecution of any application(s) for FCC consent to modifications of the Station's facilities that would not have an adverse effect on those facilities or that would not be implemented by Buyer until the Final FCC consent. For purposes of this Agreement, the term "**Final**" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated.

7. **Closing.** Except as otherwise mutually agreed upon by the parties, the consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "**Closing**") shall take place at San Antonio, Texas at a date, time and location designated by Buyer that is no later than ten (10) business days after the FCC consent, even though such FCC consent shall not have become Final and unappealable (as defined in Section 6). The date on which the Closing is to occur is referred to herein as the "**Closing Date.**"

8. **Rescission.** If the Closing occurs prior to a Final FCC consent, and if prior to becoming Final the FCC consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Authorizations to Seller, then Seller and Buyer agree that the purchase and sale of the Station Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Station Assets, and Seller shall repay to Buyer the Purchase Price. Any such rescission shall be consummated on a mutually agreeable date within thirty (30) calendar days of such Final order (or, if earlier, within the time required by such order). Seller's and Buyer's obligations under this Section 8 shall survive the Closing.

9. **Warranty.** Seller makes no warranties or guarantees of any kind regarding the present condition of any of the Station Assets.

10. **Taxes and Insurance.** All taxes shall be the responsibility of Buyer. Buyer shall be responsible for insuring the property for the benefit of the parties as their interests may appear, and to provide written proof thereof to Seller.

11. **Time of Performance.** Time shall be of the essence in every aspect of this Agreement. The parties shall each act promptly and cooperate with each other in filing necessary documents with the FCC to expedite the approval of this transaction. Should FCC consent to the subject transaction not be obtained within twelve months of the date of this Agreement, or should approval be denied by the FCC, then either Buyer or Seller may terminate this Agreement without liability or continuing obligation to the other party.

12. **Breach**

(a) **Buyer's Remedies.** The parties acknowledge that the Station is of a special, unique and extraordinary character, and that Buyer's ability to pursue damages alone would be an inadequate remedy for a breach of this Agreement. In the event that Seller is in a position to close and Buyer is ready, willing and able to close but for Seller's refusal to close, as Buyer's sole and exclusive remedy, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill Seller's obligations under this Agreement. In any action by Buyer to specifically enforce Seller's obligation to close the transactions contemplated by this Agreement, Seller shall waive the defense that there is an adequate remedy at law or in equity and agrees that Buyer shall be entitled to obtain specific performance of Seller's obligation to close without being required to prove actual damages.

(b) **Seller Remedies.** In the event of breach by Buyer of any of the terms of this agreement, Seller shall be entitled, as its sole and exclusive remedy hereunder, to receive from Buyer the Earnest Money, as liquidated damages, it being understood and agreed that payment to Seller of such liquidated damages will constitute full payment for any and all damages suffered by Seller under this Agreement.

(c) **Fees and Costs.** In any action or proceeding related to this Agreement, the prevailing party shall be entitled to receive attorney's fees and Court costs from the non-prevailing party.

13. **Seller's Assignee:** Seller may assign its rights under this Agreement and the Agreement shall be fully negotiable and transferable to the assignee.

14. **Governing Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of Iowa, without giving effect to principles of conflicts of laws.

15. **Binding Agreement.** All of the covenants and conditions herein contained shall bind the heirs, executors, administrators, successors and assigns of the respective parties to this Agreement. This Agreement constitutes the entire agreement between the parties.

16. **No Third Party Beneficiaries.** No provision of this Agreement shall confer upon any person other than the parties hereto any rights or remedies hereunder.

17. **Filing Fees:** Buyer shall pay all necessary filing fees required by the FCC.

[THIS PAGE INTENTIONALLY BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

SELLER:

HORIZON BROADCASTING, INC.

By: 

Name: Douglas R. Smiley
Title: President

By: 

Name: Eileen Smiley
Title: Secretary

By: 

Name: Steven Smiley
Title: Treasurer

SELLER:

AMERICAN RADIO MISSION FOUNDATION

By: 

Name: Douglas R. Smiley
Title: Board Chairman

BUYER:

BORDER MEDIA PARTNERS, LLC

By: 

Name: Thomas Castro
Title: President