

REDEMPTION AGREEMENT

THIS AGREEMENT IS MADE and entered into 6th day of July, 2004, by and between **TRI MARKET RADIO BROADCASTERS, INC.**, an Idaho corporation, hereinafter referred to as "Tri Market, and **ALLEN D. LEE**, hereinafter referred to as "Shareholder".

R E C I T A L S

- A. Shareholder presently owns 1000 shares of stock of Tri Market.
- B. Shareholder wishes to tender for redemption, and Tri Market wishes to redeem, all of the stock owned by Shareholder.
- C. The parties wish to agree upon terms and conditions whereby the stock of the Shareholder will be redeemed and Shareholder will receive payment from Tri Market in exchange for the stock.

IT IS THEREFORE AGREED in consideration of these recitals and the promises and covenants hereafter contained as follows:

1. **ENDORSEMENT OF STOCK CERTIFICATES.** Stock certificate No. 1, representing the Tri Market stock being surrendered by Shareholder in the amount of 1000 shares shall be endorsed in blank and delivered to the Escrow Agent at closing, as hereinafter defined.

2. **NOTE.** At closing, Tri Market shall execute and deliver to the Escrow Agent, a Promissory Note in the form attached hereto as **EXHIBIT A**, (hereinafter referred to as the "Note") in favor of Shareholder in the amount of *Four Hundred Five Thousand Two Hundred Fifty and no/100 Dollars (\$405,250.00)*. The Note shall accrue interest at 5% per annum from July 1, 2004 and shall be paid in monthly payments of \$2,675.00 each, inclusive of interest, commencing with the 1st day of August, 2004, and continuing the 1st day of each month thereafter until the 1st day of July, 2024, at which time all remaining principal and interest due under the Note shall be fully due and payable. The Note may be prepaid without penalty at any time. This Note shall be secured by the Stock pledge provisions of this agreement hereafter contained.

3. **CLOSING.** Closing of the transaction contemplated by this agreement shall take place at the office of FREDERICKSEN, WILLIAMS, MESERVY & LOTHSPICH, LLP, 117 South Adams Street, Jerome, Idaho 83338, on or before

the 6th day of July, 2004. At closing the parties shall execute the original of this agreement. Shareholder shall endorse in blank and deliver the stock certificate described in paragraph 1 above to the Escrow Agent. Tri Market shall execute and deliver to the Escrow Agent the original of the Promissory Note attached hereto as **EXHIBIT A**. Both parties shall execute an Escrow Agreement with Land Title and Escrow, Inc., Burley, Idaho, in the form attached hereto as **EXHIBIT B**.

4. **COVENANTS OF TRI MARKET PRIOR TO CLOSING.** Between the date of this agreement and the closing date, Tri Market will cause its radio station broadcasting businesses to:

- A Be carried on in substantially the same manner as it has heretofore been and not introduce any materially new method of management, operations or accountings;
- B Maintain its properties and facilities in good working order and condition;
- C Perform all material obligations under agreements related to or affecting its assets, properties and rights;
- D Keep in full force and effect all insurance policies now in force with respect to its assets;
- E Use its best efforts to maintain and preserve its business organization intact including present employees;
- F. Maintain its relationships with customers and others having business relationships with it;
- G Not enter into any new contract or commitment or incur, or agree to incur, any liability or make any capital expenditure, except in the ordinary course of business;
- H Not increase the compensation payable or to become payable to any officer, employer or agent, or make any bonus payment to any such person;

Create, assume or allow to come into existence any new mortgage, deed of trust, pledge, or any other encumbrance upon any of the assets of Tri Market;

- J Not sell, assign, lease or otherwise transfer or dispose of any assets of Tri Market, except in the ordinary course of business.

5. **AFFIRMATIONS OF COVENANTS, REPRESENTATIONS AND WARRANTIES.** The covenants, representations and warranties made by Tri Market in this agreement shall remain true and correct through the date of closing.

6. **PLEDGE OF STOCK.** As collateral security for the payment of the obligations evidenced by and set forth in the Note attached hereto as EXHIBIT A, Tri Market hereby grants to Shareholder a security interest in and pledges to Shareholder and transfers as security and delivers to the Escrow Agent, hereinafter provided, 1000 shares of stock now owned by the Shareholder, and any other additional stock substituted for the existing shares of stock as a result of dividend or stock split or other means during the term of this agreement. All of the foregoing shall be referred to hereinafter as the "Collateral." The Collateral shall be held by the Escrow Agent in accordance with the terms and provisions of this Agreement.

7. **ESCROW AGENT.** The parties agree that Land, Title and Escrow, Inc., Burley, Idaho, shall be the Escrow Agent under this Agreement. The Escrow Agent shall hold and maintain the collateral pursuant to the terms of this agreement and the Note attached hereto. The Escrow Agent's compensation shall be paid in accordance with the Escrow Agreement, a copy of which is attached hereto as EXHIBIT B.

8. **VOTING AND DIVIDEND RIGHTS.** During the term of this Agreement and until such time, if any, that Tri Market is in default of the Note, Tri Market shall have the right to vote the shares pledged. In the event Tri Market is in default of the terms under this Agreement or the Note, and Tri Market having failed to cure in full such default after written notice is provided to Tri Market at the address appearing hereinafter, and thirty (30) days from the date of the receipt of the notice having lapsed without cure of the default, the notice having been served by certified mail, then Shareholder shall have the right, but not the obligation, to vote the shares of Tri Market stock held pursuant to this Agreement and exercise and receive all the rights and privileges, including dividends which are associated with the ownership of such shares.

9. **DEFAULT.** When a default exists under this agreement, and remains uncured after the provisions have been complied with as set forth in the previous paragraph, Shareholder, at her option may:

- A. Choose to accept the collateral by giving notice of such fact to Tri Market and the Escrow Agent and such acceptance shall discharge all remaining obligations of Tri Market under the Note, in which case the Escrow Agent shall forfeit and deliver the collateral to the Shareholder and this Agreement shall be terminated.
- B. Exercise any remedy of a secured party under the laws of the State of Idaho. When such process is complete, the Escrow Agent shall distribute any remaining assets held by the Escrow Agent to Tri Market and this escrow shall be terminated.

10. **SATISFACTION OF OBLIGATIONS.** At such time as Tri Market has paid in full all obligations to Shareholder under the Note, or at such time as Shareholder has accepted the collateral as previously set forth:

- A. Shareholder or Tri Market shall promptly notify the Escrow Agent in writing of such claim or alleged acceptance.
- B. Upon such notification, the Escrow Agent shall notify Shareholder of such claim or acceptance within five (5) business days of the receipt of the same.
- C. If Shareholder has made such notification of payment or acceptance, or Shareholder has either acknowledged the claim or alleged the acceptance to be true, or do not object in writing within five (5) days of receipt of notice of the same from the Escrow Agent, then this Agreement shall terminate and the Escrow Agent shall release all collateral pledged or otherwise secured hereunder from the liens provided for by this Agreement and the Escrow Agent shall transfer to Tri Market all such collateral then held by Escrow Agent.
- D. If Shareholder does object to the claim or the alleged acceptance during the five (5) day period, then the Escrow Agent shall submit the question of the validity of the claim or the alleged acceptance to binding arbitration to be held under the rules of the American Arbitration Association in accordance with Idaho Code § 7-901, et seq., one (1) arbitrator in the City of Jerome, Idaho.

11. **SALE OR TRANSFER OF COLLATERAL; DUE ON SALE.** During the term of this Agreement, neither Tri Market nor Escrow Agent shall sell or attempt to sell, assign, release, encumber or otherwise transfer or dispose of any of the collateral pledged hereunder, except as may be otherwise permitted by this Agreement.

Further, during the term of this Agreement, Tri Market shall not sell any of its assets outside the ordinary course of business without the prior written consent of Shareholder. A breach of this paragraph shall accelerate the full amount of the Redemption price under the Note described in Paragraph 2 above.

12. **DUTIES OF ESCROW AGENT.** The Escrow Agent shall have only such responsibility with respect to the collateral held in escrow as is expressly provided for in this Agreement. In the absence of gross negligence, bad faith or fraud with respect to the performance of its obligations hereunder, the Escrow Agent shall not incur liability to any party hereto.

13. **WAIVER.** Any forbearance, failure or delay by either party in exercising the right, power or remedy herein shall not be deemed to be a waiver of such right, power or remedy and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and any right, power and remedy shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement nor shall waiver constitute a continuing waiver unless otherwise expressly provided.

14. **RESIGNATION OF SHAREHOLDER.** Immediately prior to closing, Shareholder shall resign as an officer, director and employee of Tri Market. Shareholder shall not retain any interest in Tri Market during the term of this Agreement other than any interest he may have as a creditor for a period of ten (10) years following closing.

15. **FEDERAL COMMUNICATIONS COMMISSION.** The corporation agrees to complete and file with the Federal Communications Commission all necessary forms reflecting the change in ownership of the stock of Tri Market accomplished by this redemption agreement.

16. **INTEGRATION.** Tri Market and Shareholder acknowledge that the terms, conditions and covenants of this agreement shall supersede any prior negotiations and agreements of the parties, that there are no other agreements not contained in this agreement, and that this agreement shall be the final expression of the agreement of the parties and shall control. No modifications of this agreement shall be valid unless in writing and executed by all the parties hereto.

17. **TIME IS OF THE ESSENCE.** The parties hereto acknowledge and agree that time is, and shall be, the essence of each and every term and condition contained herein.

18. **ADDITIONAL DOCUMENTS.** The parties agree to execute such other further and additional documents as may be required to carry into effect the terms and conditions of this agreement.

19. **BINDING EFFECT.** This agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators and assigns.

20. **NOTICES.** Any notices, demands and the like, which are required to be given hereunder, or which either party hereto may desire to give to the other, shall be given in writing and may be delivered personally or may be sent by registered mail or certified mail, postage prepaid, to each of the parties as follows:

TRI MARKET: Kim Lee
3219 Laurelwood Drive
Twin Falls ID 83301

SHAREHOLDER: Allen D. Lee
144 Seminole Circle
Jerome ID 83338

or at any other address of which the parties may advise each other at any future time.

21. **ATTORNEY FEES ON DEFAULT.** If default be made by any party hereto in keeping or performing any of the covenants, conditions or agreements herein agreed to be kept by them, and the other party is required to employ an attorney to enforce any of the covenants, conditions or agreements herein contained, then and in such event, the party in default agrees to pay to the non-defaulting party, in addition to all other sums herein agreed to be paid by them, a reasonable attorney's fee, together with any costs and disbursements that may be incurred in enforcing this agreement.

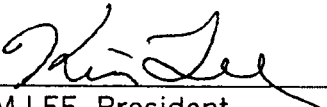
22. **COVENANTS TO SURVIVE CLOSING.** The parties agree that the terms and conditions of this agreement shall survive closing.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names, the day and year in this agreement first above written.

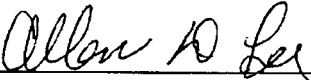
REDEMPTION AGREEMENT - 6

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TRI MARKET RADIO BROADCASTERS, INC


KIM LEE, President

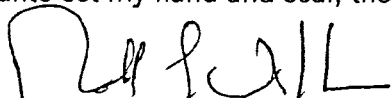
SHAREHOLDER


ALLEN D. LEE

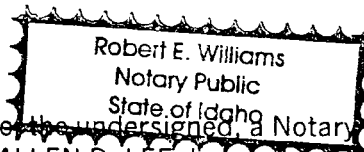
STATE OF IDAHO)
 ss:
County of Jerome

On this 6th day of July, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared KIM LEE, President of TRI MARKET RADIO BROADCASTERS, INC., known to me to be such officer and the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that he executed the same on behalf of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, the day and year in this certificate first above written.

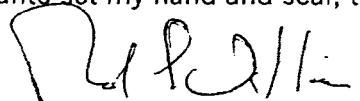

NOTARY PUBLIC for Idaho
Residing at: Teme
Commission Expires: 1/17/05

STATE OF IDAHO)
 ss:
County of Jerome)

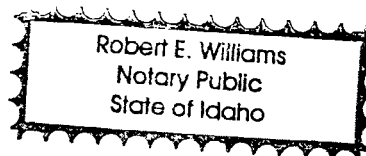


On this 6th day of July, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ALLEN D. LEE, known to me to be the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, the day and year in this certificate first above written.


NOTARY PUBLIC for Idaho
Residing at: Teme
Commission Expires: 1/17/05

REDEMPTION AGREEMENT - 7
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REDEMPTION AGREEMENT

THIS AGREEMENT IS MADE and entered into this 6th day of July, 2004, by and between **TRI MARKET RADIO BROADCASTERS, INC.**, an Idaho corporation, hereinafter referred to as "Tri Market", and **JO RENE LEE**, hereinafter referred to as "Shareholder".

R E C I T A L S

- A Shareholder presently owns 1000 shares of stock of Tri-Market
- B Shareholder wishes to tender for redemption, and Tri Market wishes to redeem, all of the stock owned by Shareholder.
- C. The parties wish to agree upon terms and conditions whereby the stock of the Shareholder will be redeemed and Shareholder will receive payment from Tri Market in exchange for the stock.

IT IS THEREFORE AGREED in consideration of these recitals and the promises and covenants hereafter contained as follows:

1. **ENDORSEMENT OF STOCK CERTIFICATES.** Stock certificate No. 2, representing the Tri Market stock being surrendered by Shareholder in the amount of 1000 shares shall be endorsed in blank and delivered to the Escrow Agent at closing, as hereinafter defined.

2. **NOTE.** At closing, Tri Market shall execute and deliver to the Escrow Agent, a Promissory Note in the form attached hereto as **EXHIBIT A**, (hereinafter referred to as the "Note") in favor of Shareholder in the amount of *Four Hundred Five Thousand Two Hundred Fifty and 00/100 Dollars (\$405,250.00)*. The Note shall accrue interest at 5% per annum from July 1, 2004 and shall be paid in monthly payments of \$2,675.00 each, inclusive of interest, commencing with the 1st day of August, 2004, and continuing the 1st day of each month thereafter until the 1st day of July, 2024, at which time all remaining principal and interest due under the Note shall be fully due and payable. The Note may be prepaid without penalty at any time. This Note shall be secured by the Stock pledge provisions of this agreement hereafter contained.

3. **CLOSING.** Closing of the transaction contemplated by this agreement shall take place at the office of FREDERICKSEN, WILLIAMS, MESERVY & LOTHSPREICH, LLP, 117 South Adams Street, Jerome, Idaho 83338, on or before the 6th day of July, 2004. At closing the parties shall execute the original of this

agreement. Shareholder shall endorse in blank and deliver the stock certificate described in paragraph 1 above to the Escrow Agent. Tri Market shall execute and deliver to the Escrow Agent the original of the Promissory Note attached hereto as **EXHIBIT A**. Both parties shall execute an Escrow Agreement with Land Title and Escrow, Inc., Burley, Idaho, in the form attached hereto as **EXHIBIT B**.

4. **COVENANTS OF TRI MARKET PRIOR TO CLOSING.** Between the date of this agreement and the closing date, Tri Market will cause its radio station broadcasting businesses to:

- A. Be carried on in substantially the same manner as it has heretofore been and not introduce any materially new method of management, operations or accountings;
- B. Maintain its properties and facilities in good working order and condition;
- C. Perform all material obligations under agreements related to or affecting its assets, properties and rights;
- D. Keep in full force and effect all insurance policies now in force with respect to its assets;
- E. Use its best efforts to maintain and preserve its business organization intact including present employees;
- F. Maintain its relationships with customers and others having business relationships with it;
- G. Not enter into any new contract or commitment or incur, or agree to incur, any liability or make any capital expenditure, except in the ordinary course of business;
- H. Not increase the compensation payable or to become payable to any officer, employer or agent, or make any bonus payment to any such person;

Create, assume or allow to come into existence any new mortgage, deed of trust, pledge, or any other encumbrance upon any of the assets of Tri Market;
- J. Not sell, assign, lease or otherwise transfer or dispose of any assets of Tri Market, except in the ordinary course of business.

5. **AFFIRMATIONS OF COVENANTS, REPRESENTATIONS AND WARRANTIES.** The covenants, representations and warranties made by Tri Market in this agreement shall remain true and correct through the date of closing.

6. **PLEDGE OF STOCK.** As collateral security for the payment of the obligations evidenced by and set forth in the Note attached hereto as EXHIBIT A, Tri Market hereby grants to Shareholder a security interest in and pledges to Shareholder and transfers as security and delivers to the Escrow Agent, hereinafter provided, 1000 shares of stock now owned by the Shareholder, and any other additional stock substituted for the existing shares of stock as a result of dividend or stock split or other means during the term of this agreement. All of the foregoing shall be referred to hereinafter as the "Collateral." The Collateral shall be held by the Escrow Agent in accordance with the terms and provisions of this Agreement.

7. **ESCROW AGENT.** The parties agree that Land, Title and Escrow, Inc., Burley, Idaho, shall be the Escrow Agent under this Agreement. The Escrow Agent shall hold and maintain the collateral pursuant to the terms of this agreement and the Note attached hereto. The Escrow Agent's compensation shall be paid in accordance with the Escrow Agreement, a copy of which is attached hereto as EXHIBIT B.

8. **VOTING AND DIVIDEND RIGHTS.** During the term of this Agreement and until such time, if any, that Tri Market is in default of the Note, Tri Market shall have the right to vote the shares pledged. In the event Tri Market is in default of the terms under this Agreement or the Note, and Tri Market having failed to cure in full such default after written notice is provided to Tri Market at the address appearing hereinafter, and thirty (30) days from the date of the receipt of the notice having lapsed without cure of the default, the notice having been served by certified mail, then Shareholder shall have the right, but not the obligation, to vote the shares of Tri Market stock held pursuant to this Agreement and exercise and receive all the rights and privileges, including dividends which are associated with the ownership of such shares.

9. **DEFAULT.** When a default exists under this agreement, and remains uncured after the provisions have been complied with as set forth in the previous paragraph, Shareholder, at her option may:

- A Choose to accept the collateral by giving notice of such fact to Tri Market and the Escrow Agent and such acceptance shall discharge all remaining obligations of Tri Market under the Note, in which case

the Escrow Agent shall forfeit and deliver the collateral to the Shareholder and this Agreement shall be terminated.

- B Exercise any remedy of a secured party under the laws of the State of Idaho. When such process is complete, the Escrow Agent shall distribute any remaining assets held by the Escrow Agent to Tri Market and this escrow shall be terminated.

10. **SATISFACTION OF OBLIGATIONS.** At such time as Tri Market has paid in full all obligations to Shareholder under the Note, or at such time as Shareholder has accepted the collateral as previously set forth:

- A. Shareholder or Tri Market shall promptly notify the Escrow Agent in writing of such claim or alleged acceptance.
- B. Upon such notification, the Escrow Agent shall notify Shareholder of such claim or acceptance within five (5) business days of the receipt of the same.
- C. If Shareholder has made such notification of payment or acceptance, or Shareholder has either acknowledged the claim or alleged the acceptance to be true, or do not object in writing within five (5) days of receipt of notice of the same from the Escrow Agent, then this Agreement shall terminate and the Escrow Agent shall release all collateral pledged or otherwise secured hereunder from the liens provided for by this Agreement and the Escrow Agent shall transfer to Tri Market all such collateral then held by Escrow Agent.
- D. If Shareholder does object to the claim or the alleged acceptance during the five (5) day period, then the Escrow Agent shall submit the question of the validity of the claim or the alleged acceptance to binding arbitration to be held under the rules of the American Arbitration Association in accordance with Idaho Code § 7-901, *et seq.*, one (1) arbitrator in the City of Jerome, Idaho.

11. **SALE OR TRANSFER OF COLLATERAL; DUE ON SALE.** During the term of this Agreement, neither Tri Market nor Escrow Agent shall sell or attempt to sell, assign, release, encumber or otherwise transfer or dispose of any of the collateral pledged hereunder, except as may be otherwise permitted by this Agreement. Further, during the term of this Agreement, Tri Market shall not sell any of its assets outside the ordinary course of business without the prior written consent

of Shareholder. A breach of this paragraph shall accelerate the full amount of the Redemption price under the Note described in Paragraph 2 above.

12. **DUTIES OF ESCROW AGENT.** The Escrow Agent shall have only such responsibility with respect to the collateral held in escrow as is expressly provided for in this Agreement. In the absence of gross negligence, bad faith or fraud with respect to the performance of its obligations hereunder, the Escrow Agent shall not incur liability to any party hereto.

13. **WAIVER.** Any forbearance, failure or delay by either party in exercising the right, power or remedy herein shall not be deemed to be a waiver of such right, power or remedy and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and any right, power and remedy shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement nor shall waiver constitute a continuing waiver unless otherwise expressly provided.

14. **RESIGNATION OF SHAREHOLDER.** Immediately prior to closing, Shareholder shall resign as an officer, director and employee of Tri Market. Shareholder shall not retain any interest in Tri Market during the term of this Agreement other than any interest she may have as a creditor for a period of ten (10) years following closing.

15. **FEDERAL COMMUNICATIONS COMMISSION.** The corporation agrees to complete and file with the Federal Communications Commission all necessary forms reflecting the change in ownership of the stock of Tri Market accomplished by this redemption agreement.

16. **INTEGRATION.** Tri Market and Shareholder acknowledge that the terms, conditions and covenants of this agreement shall supersede any prior negotiations and agreements of the parties, that there are no other agreements not contained in this agreement, and that this agreement shall be the final expression of the agreement of the parties and shall control. No modifications of this agreement shall be valid unless in writing and executed by all the parties hereto.

17. **TIME IS OF THE ESSENCE.** The parties hereto acknowledge and agree that time is, and shall be, the essence of each and every term and condition contained herein.

18. **ADDITIONAL DOCUMENTS.** The parties agree to execute such other further and additional documents as may be required to carry into effect the terms and conditions of this agreement.

19. **BINDING EFFECT.** This agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators and assigns.

20. **NOTICES.** Any notices, demands and the like, which are required to be given hereunder, or which either party hereto may desire to give to the other, shall be given in writing and may be delivered personally or may be sent by registered mail or certified mail, postage prepaid, to each of the parties as follows:

TRI MARKET: Kim Lee
3219 Laurelwood Drive
Twin Falls ID 83301

SHAREHOLDER: Jo Rene Lee
144 Seminole Circle
Jerome ID 83338


or at any other address of which the parties may advise each other at any future time.

21. **ATTORNEY FEES ON DEFAULT.** If default be made by any party hereto in keeping or performing any of the covenants, conditions or agreements herein agreed to be kept by them, and the other party is required to employ an attorney to enforce any of the covenants, conditions or agreements herein contained, then and in such event, the party in default agrees to pay to the non-defaulting party, in addition to all other sums herein agreed to be paid by them, a reasonable attorney's fee, together with any costs and disbursements that may be incurred in enforcing this agreement.

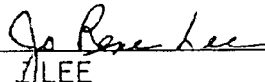
22. **COVENANTS TO SURVIVE CLOSING.** The parties agree that the terms and conditions of this agreement shall survive closing.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names, the day and year in this agreement first above written.

TRI MARKET RADIO BROADCASTERS, INC


KIM LEE, President


SHAREHOLDER


LEE

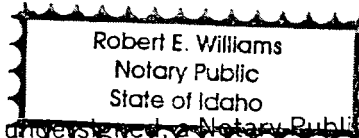
STATE OF IDAHO)
ss:
County of Jerome)

On this 6th day of July, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared KIM LEE, President of TRI MARKET RADIO BROADCASTERS, INC., known to me to be such officer and the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that he executed the same on behalf of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, the day and year in this certificate first above written.

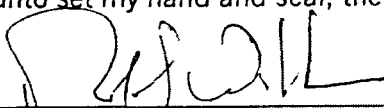

NOTARY PUBLIC for Idaho
Residing at: *Gene*
Commission Expires: 1/17/05

STATE OF IDAHO)
ss:
County of Jerome)



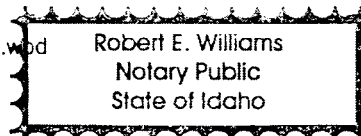
On this 6th day of July, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JO RENE LEE, known to me to be the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, the day and year in this certificate first above written.


NOTARY PUBLIC for Idaho
Residing at: *Gene*
Commission Expires: 1/17/05

REDEMPTION AGREEMENT - 7

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REDEMPTION AGREEMENT

THIS AGREEMENT IS MADE and entered into this 6th day of July, 2004, by and between **TRI MARKET RADIO BROADCASTERS, INC.**, an Idaho corporation, hereinafter referred to as "Tri Market, and **KENT LEE**, hereinafter referred to as "Shareholder".

R E C I T A L S

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- B. Shareholder wishes to tender for redemption, and Tri Market wishes to redeem, all of the stock owned by Shareholder.
- C. The parties wish to agree upon terms and conditions whereby the stock of the Shareholder will be redeemed and Shareholder will receive payment from Tri Market in exchange for the stock.

IT IS THEREFORE AGREED in consideration of these recitals and the promises and covenants hereafter contained as follows:

1. **ENDORSEMENT OF STOCK CERTIFICATES.** Stock certificate No. 3, representing the Tri Market stock being surrendered by Shareholder in the amount of 1000 shares shall be endorsed in blank and delivered to the Escrow Agent at closing, as hereinafter defined.

2. **TERMS.** The total purchase price shall be *Four Hundred Five Thousand Two Hundred Fifty Dollars (\$405,250.00)* lawful money of the United States of America, to be paid as follows:

- A Tri Market shall pay \$150,000.00 cash, lawful money of the United States of America, to Shareholder at closing. The balance of the purchase price in the amount of \$255,250.00 shall be reduced to a Promissory Note as follows:

NOTE. At closing, Tri Market shall execute and deliver to the Escrow Agent, a Promissory Note in the form attached hereto as **EXHIBIT A**, (hereinafter referred to as the "Note") in favor of Shareholder in the amount of *Two Hundred Fifty-Five Thousand Two Hundred Fifty and no/100 Dollars (\$255,250.00)*. The Note shall accrue interest at 5% per annum from July 1, 2004 and shall be paid in monthly payments

of \$1,685.00 each, inclusive of interest, commencing with the 1st day of August, 2004, and continuing the 1st day of each month thereafter until the 1st day of July, 2024, at which time all remaining principal and interest due under the Note shall be fully due and payable. The Note may be prepaid without penalty at any time. This Note shall be secured by the Stock pledge provisions of this agreement hereafter contained.

3. **CLOSING.** Closing of the transaction contemplated by this agreement shall take place at the office of FREDERICKSEN, WILLIAMS, MESERVY & LOTHSPREICH, LLP, 117 South Adams Street, Jerome, Idaho 83338, on or before the 6th day of July, 2004. At closing the parties shall execute the original of this agreement. Shareholder shall endorse in blank and deliver the stock certificate described in paragraph 1 above to the Escrow Agent. Tri Market shall execute and deliver to the Escrow Agent the original of the Promissory Note attached hereto as **EXHIBIT A**. Both parties shall execute an Escrow Agreement with Land Title and Escrow, Inc., Burley, Idaho, in the form attached hereto as **EXHIBIT B**.

4. **COVENANTS OF TRI MARKET PRIOR TO CLOSING.** Between the date of this agreement and the closing date, Tri Market will cause its radio station broadcasting businesses to:

- A Be carried on in substantially the same manner as it has heretofore been and not introduce any materially new method of management, operations or accountings;
- B Maintain its properties and facilities in good working order and condition;
- C Perform all material obligations under agreements related to or affecting its assets, properties and rights;
- D Keep in full force and effect all insurance policies now in force with respect to its assets;
- E Use its best efforts to maintain and preserve its business organization intact including present employees;
- F Maintain its relationships with customers and others having business relationships with it;

- G. Not enter into any new contract or commitment or incur, or agree to incur, any liability or make any capital expenditure, except in the ordinary course of business;
- H Not increase the compensation payable or to become payable to any officer, employer or agent, or make any bonus payment to any such person;

Create, assume or allow to come into existence any new mortgage, deed of trust, pledge, or any other encumbrance upon any of the assets of Tri Market;
- J Not sell, assign, lease or otherwise transfer or dispose of any assets of Tri Market, except in the ordinary course of business.

5. **AFFIRMATIONS OF COVENANTS, REPRESENTATIONS AND WARRANTIES.** The covenants, representations and warranties made by Tri Market in this agreement shall remain true and correct through the date of closing.

6. **PLEDGE OF STOCK.** As collateral security for the payment of the obligations evidenced by and set forth in the Note attached hereto as EXHIBIT A, Tri Market hereby grants to Shareholder a security interest in and pledges to Shareholder and transfers as security and delivers to the Escrow Agent, hereinafter provided, 1000 shares of stock now owned by the Shareholder, and any other additional stock substituted for the existing shares of stock as a result of dividend or stock split or other means during the term of this agreement. All of the foregoing shall be referred to hereinafter as the "Collateral." The Collateral shall be held by the Escrow Agent in accordance with the terms and provisions of this Agreement.

7. **ESCROW AGENT.** The parties agree that Land, Title and Escrow, Inc., Burley, Idaho, shall be the Escrow Agent under this Agreement. The Escrow Agent shall hold and maintain the collateral pursuant to the terms of this agreement and the Note attached hereto. The Escrow Agent's compensation shall be paid in accordance with the Escrow Agreement, a copy of which is attached hereto as EXHIBIT B.

8. **VOTING AND DIVIDEND RIGHTS.** During the term of this Agreement and until such time, if any, that Tri Market is in default of the Note, Tri Market shall have the right to vote the shares pledged. In the event Tri Market is in default of the terms under this Agreement or the Note, and Tri Market having failed to cure in full such default after written notice is provided to Tri Market at the address appearing hereinafter, and thirty (30) days from the date of the receipt of the

notice having lapsed without cure of the default, the notice having been served by certified mail, then Shareholder shall have the right, but not the obligation, to vote the shares of Tri Market stock held pursuant to this Agreement and exercise and receive all the rights and privileges, including dividends which are associated with the ownership of such shares.

9. **DEFAULT.** When a default exists under this agreement, and remains uncured after the provisions have been complied with as set forth in the previous paragraph, Shareholder, at her option may:

- A. Choose to accept the collateral by giving notice of such fact to Tri Market and the Escrow Agent and such acceptance shall discharge all remaining obligations of Tri Market under the Note, in which case the Escrow Agent shall forfeit and deliver the collateral to the Shareholder and this Agreement shall be terminated.
- B. Exercise any remedy of a secured party under the laws of the State of Idaho. When such process is complete, the Escrow Agent shall distribute any remaining assets held by the Escrow Agent to Tri Market and this escrow shall be terminated.

10. **SATISFACTION OF OBLIGATIONS.** At such time as Tri Market has paid in full all obligations to Shareholder under the Note, or at such time as Shareholder has accepted the collateral as previously set forth:

- A. Shareholder or Tri Market shall promptly notify the Escrow Agent in writing of such claim or alleged acceptance.
- B. Upon such notification, the Escrow Agent shall notify Shareholder of such claim or acceptance within five (5) business days of the receipt of the same.
- C. If Shareholder has made such notification of payment or acceptance, or Shareholder has either acknowledged the claim or alleged the acceptance to be true, or do not object in writing within five (5) days of receipt of notice of the same from the Escrow Agent, then this Agreement shall terminate and the Escrow Agent shall release all collateral pledged or otherwise secured hereunder from the liens provided for by this Agreement and the Escrow Agent shall transfer to Tri Market all such collateral then held by Escrow Agent.

- D If Shareholder does object to the claim or the alleged acceptance during the five (5) day period, then the Escrow Agent shall submit the question of the validity of the claim or the alleged acceptance to binding arbitration to be held under the rules of the American Arbitration Association in accordance with Idaho Code § 7-901, *et seq.*, one (1) arbitrator in the City of Jerome, Idaho.

11. **SALE OR TRANSFER OF COLLATERAL; DUE ON SALE.** During the term of this Agreement, neither Tri Market nor Escrow Agent shall sell or attempt to sell, assign, release, encumber or otherwise transfer or dispose of any of the collateral pledged hereunder, except as may be otherwise permitted by this Agreement. Further, during the term of this Agreement, Tri Market shall not sell any of its assets outside the ordinary course of business without the prior written consent of Shareholder. A breach of this paragraph shall accelerate the full amount of the Redemption price under the Note described in Paragraph 2 above.

12. **DUTIES OF ESCROW AGENT.** The Escrow Agent shall have only such responsibility with respect to the collateral held in escrow as is expressly provided for in this Agreement. In the absence of gross negligence, bad faith or fraud with respect to the performance of its obligations hereunder, the Escrow Agent shall not incur liability to any party hereto.

13. **WAIVER.** Any forbearance, failure or delay by either party in exercising the right, power or remedy herein shall not be deemed to be a waiver of such right, power or remedy and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and any right, power and remedy shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement nor shall waiver constitute a continuing waiver unless otherwise expressly provided.

14. **RESIGNATION OF SHAREHOLDER.** Immediately prior to closing, Shareholder shall resign as an officer, director and employee of Tri Market. Shareholder shall not retain any interest in Tri Market during the term of this Agreement other than any interest he may have as a creditor for a period of ten (10) years following closing.

15. **FEDERAL COMMUNICATIONS COMMISSION.** The corporation agrees to complete and file with the Federal Communications Commission all necessary forms reflecting the change in ownership of the stock of Tri Market accomplished by this redemption agreement.

16. **INTEGRATION.** Tri Market and Shareholder acknowledge that the terms, conditions and covenants of this agreement shall supersede any prior negotiations and agreements of the parties, that there are no other agreements not contained in this agreement, and that this agreement shall be the final expression of the agreement of the parties and shall control. No modifications of this agreement shall be valid unless in writing and executed by all the parties hereto.

17. **TIME IS OF THE ESSENCE.** The parties hereto acknowledge and agree that time is, and shall be, the essence of each and every term and condition contained herein.

18. **ADDITIONAL DOCUMENTS.** The parties agree to execute such other, further and additional documents as may be required to carry into effect the terms and conditions of this agreement.

19. **BINDING EFFECT.** This agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators and assigns.

20. **NOTICES.** Any notices, demands and the like, which are required to be given hereunder, or which either party hereto may desire to give to the other, shall be given in writing and may be delivered personally or may be sent by registered mail or certified mail, postage prepaid, to each of the parties as follows:

TRI MARKET: Kim Lee
3219 Laurelwood Drive
Twin Falls ID 83301

SHAREHOLDER: Kent Lee
911 E 16th
Jerome ID 83338

or at any other address of which the parties may advise each other at any future time.

21. **ATTORNEY FEES ON DEFAULT.** If default be made by any party hereto in keeping or performing any of the covenants, conditions or agreements herein agreed to be kept by them, and the other party is required to employ an attorney to enforce any of the covenants, conditions or agreements herein contained, then and in such event, the party in default agrees to pay to the non-defaulting party,

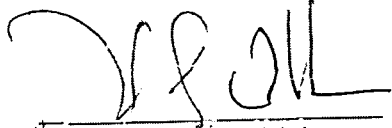
STATE OF IDAHO

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ss:

County of Jerome

On this 6th day of July, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared KENT E. LEE, known to me to be the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, the day and year in this certificate first above written.



NOTARY PUBLIC for Idaho
Residing at: Tense
Commission Expires: 1/27/05

