

(a) In the event that the LMA between the parties is in effect, Buyer shall perform all Trade and Barter Agreements of the Station without any additional consideration (and 4.2.(b), below, shall not apply).

(b) In the event that the LMA between the parties is not then in effect, Buyer shall assume at Closing the Trade and Barter Agreements of the Station which have not yet been performed, to the extent that the unperformed obligations to be assumed by Buyer under the Trade and Barter Agreements do not exceed Five Thousand Dollars (\$5,000) valued as of the Closing Date based upon the prevailing rate. In the event that the unperformed obligations to be assumed by Buyer exceed \$5,000, the Purchase Price shall be reduced by the amount of such excess even if the fair market value of the property to be received by the Station after the Closing Date under Trade and Barter Agreements also exceeds \$5,000. Seller shall use its best efforts to perform all of its obligations under the Trade and Barter Agreements prior to the Closing Date and will not enter into any new Trade and Barter Agreements without Buyer's consent (provided that Seller may enter into new Trade and Barter Agreements that do not exceed \$1,000 individually and \$5,000 in the aggregate). No adjustments under Section 4.1 shall be made if the total liability of the Stations for time under Trade and Barter Agreements is less than the fair market value as of the Closing Date of the property to be received after the Closing Date under those agreements.

SECTION 5

APPLICATION TO AND CONSENT BY COMMISSION

5.1 Commission Consent. Consummation of the purchase and sale provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the Commission shall have given its consent in writing to the assignment of the Commission Authorizations to Buyer and such consent shall have become a Final Order.

5.2 Application for Commission Consent.

(a) Each party agrees to file with the Commission its respective portion of an assignment application with respect to the Stations (the "Assignment Application") within ten (10) days after the date hereof and said application shall be substantially complete, in proper form and substance. Seller and Buyer agree to prosecute the Assignment Application with diligence and to use their best efforts and to cooperate with each other in seeking the Commission's approval of the transactions contemplated hereunder. Each party further agrees to prepare expeditiously Assignment Application amendments whenever such amendments are required by the Commission or its rules or requested by the Commission's staff.

(b) Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing, and prosecution of

its respective portion of the Assignment Application. All filing fees and grant fees imposed by the Commission shall be paid half (1/2) each by Seller and Buyer.

SECTION 6

ACCOUNTS RECEIVABLE

Accounts receivable are subject to the LMA agreement. Accordingly, no Accounts Receivable are due Seller.

SECTION 7

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

7.1 Organization and Standing. Seller is a limited partnership duly organized, validly existing and in good standing under the laws of the States of Idaho and New Mexico. Seller has full power and authority to own the Assets and to carry on the business of the Stations as it is presently conducted.

7.2 Authority. Seller has the power and authority to execute, deliver and perform this Agreement and the transactions or documents contemplated hereby. The execution, delivery and performance of this Agreement and Seller's Closing Documents have been duly authorized by Seller's partners.

7.3 Binding Effect of Agreement. This Agreement has been duly executed and delivered by Seller and constitutes a valid and binding obligation of Seller, enforceable against it in accordance with its terms. Upon execution, the Seller's Closing Documents will constitute valid and binding obligations of Seller, enforceable against Seller in accordance with their terms, except as they may be rendered unenforceable in the future by applicable bankruptcy or other similar laws and the exercise of judicial discretion in accordance with general equitable principles.

7.4 Conflicts. The execution, delivery and performance by Seller of this Agreement do not violate any charter, bylaw, or contract provision or other commitment to which Seller is a party or under which it or its property are bound, or any law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority, and will not result in the creation or imposition of any lien, charge, security interest, or encumbrance of any nature whatsoever upon any of the Assets. Seller will obtain all consents and discharges necessary to perform its obligations hereunder on or prior to the Closing Date.

7.5 Real Property. Schedule C contains descriptions of all real property currently owned or, if not owned, leased by Seller, and used or intended for use in the conduct of the business and operations of the Station. Seller has delivered to Buyer true

and complete copies of all leases listed in Schedule C (including any and all amendments and other modifications of such leases), which leases are valid, binding and enforceable in accordance with their terms, except as they may be rendered unenforceable in the future by applicable bankruptcy or other similar laws and the exercise of judicial discretion in accordance with general equitable principles. Except with respect to those leases designated in Schedule C as requiring the consent of a third party, Seller has full legal power and authority to assign its rights under all of the leases listed in Schedule C. To the best of Seller's knowledge, all property listed in Schedule C (including the improvements thereon) is in good condition and repair and available for immediate use in the conduct of the business and operations of the Station. To the best of Seller's knowledge, none of Seller's property fails to comply in any material respect with any applicable building or zoning code or regulation of any governmental authority having jurisdiction. The property, whether owned or leased by Seller, described in Schedule C includes all such property necessary to conduct the business and operations of the Station as now conducted.

7.6 Tangible Personal Property. Schedule B contains descriptions of all tangible personal property currently owned or, if not owned, leased by Seller, and used or intended for use in the conduct of the business and operations of the Stations. At Closing Seller will be the owner of and have marketable title to all of the Tangible Personal Property listed in Schedule B, free and clear of all liens, charges, encumbrances, restrictions, debts, demands, or claims of any kind or nature whatsoever, except liens which shall be discharged on the Closing Date by application of the proceeds of the sale of the Assets. As of the date of execution of the LMA, (i) the transmitting and studio equipment of the Station were in good operating condition and repair (ordinary wear and tear excepted), have been installed and maintained in accordance with good engineering practices, and will permit the Station to operate in accordance with the Commission Authorizations and the rules and regulations of the Commission, (ii) all other Tangible Personal Property used in the operation of the Station is likewise in good operating condition and repair (ordinary wear and tear excepted), (iii) the use of all Tangible Personal Property was in compliance in all material respects with all applicable statutes, ordinances, rules and regulations, federal, state and local and (iv) the Tangible Personal Property listed in Schedule B included all such property then used to conduct the business and operations of the Station.

7.8 Agreements Schedule D accurately lists all material Agreements as of the date of execution of the LMA. There is no material default by or claim of material default against Seller, or any notice of termination existing or given by Seller or, to Seller's knowledge, by any other party with respect to any such Agreement or any renewal, extension or replacement thereof. All of the Agreements are legal and binding on Seller and, to the best knowledge of Seller, binding on the other parties thereto in all material respects. True and correct copies of the Agreements listed in Schedule D have been delivered to Buyer.

7.9 Authorizations.

(a) Status. Seller has filed at the Commission license applications (and is operating pursuant to program test authority) or is the holder of all licenses, permits and authorizations necessary to operate the business of the Stations, as it now is being conducted and necessary for the lawful operation of the Station, including, without limitation, all Commission Authorizations. Seller is in compliance with all such licenses, permits and authorizations, all of which are in full force and effect. Except for a Notice of Violation and a Notice of Forfeiture issued by the FCC regarding Seller's failure to have operational EAS equipment on August 9, 2001 ("Notices"), there is no other action pending or, to Seller's knowledge, threatened, before the Commission or other body to revoke, refuse to renew, suspend or modify any of the Commission Authorizations, or any action which may result in the denial of any pending applications, the issuance of any cease and desist orders, or the imposition of any administrative sanctions whatsoever with respect to the Station or their operation. Except for the Notices, Seller has no knowledge of any reason why the Commission Authorizations would not be renewed or of any persons who intend to oppose renewal of the Commission Authorizations.

(b) Reports. All material reports, applications and other documents required to be filed by Seller with the Commission or any other administrative body with respect to the Stations or their operations have been filed and all such reports, applications and documents are true and correct in all material respects.

7.10 Litigation; Compliance with Law. Seller is in compliance in all material respects with all applicable federal, state and local laws, ordinances and regulations, including compliance with the Communications Act of 1934, as amended, and all rules and regulations issued there under. Other than proceedings of general applicability to the broadcasting industry, there is no complaint, claim, litigation, investigation, or judicial, administrative, or other proceeding of any nature, including, without limitation, a grievance, arbitration, or insolvency or bankruptcy proceeding, pending, or to the best knowledge of Seller, threatened against Seller which could reasonably be expected to have a material adverse effect on the Stations. Except as provided in Section 5, no consent, approval or authorization of, or any filing with, any governmental authority is required for the execution, delivery and performance of this Agreement by Seller.

7.11 Insurance. Seller holds valid policies of insurance covering the Assets and the Stations' business for all risks and contingencies, and in such amounts, as is normal and customary in the broadcasting industry. Seller is in compliance with the requirements of its insurance policies in all material respects.

7.12 Employees and Labor Relations.

(a) Collective Bargaining Agreements. Seller is not a party to any collective bargaining agreement or employment agreement covering or relating to any of Stations' employees, and has not recognized or received a demand for recognition by any labor union or other collective bargaining unit representing or claiming to represent any of the employees of the Station.

(b) Employee Benefit Plans. Seller is not a party to any pension, profit-sharing or bonus agreement or any other employee benefit plan or compensation arrangement except as disclosed to Buyer in writing.

7.13 Payment of Taxes Except for taxes not yet due and payable, all returns and reports concerning income taxes, franchise taxes, unemployment insurance, withholding and payroll taxes, sales taxes, personal property taxes, license taxes, social security taxes, and all other reports required to have been filed by the Seller relating to the Stations have been duly filed, and all taxes, interest, and penalties which are due to any taxing authority have been duly paid or will be paid by the Closing Date.

7.14 Absence of Certain Changes. Since the execution of the LMA, there has not been:

(a) Any damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the Assets which are tangible; (i) except for the damage to the KXMT transmitter, which Seller's insurance paid Buyer for replacement thereof; and (ii) the loss of the KKIT transmitter site and associated equipment, which Buyer has subsequently relocated and replaced.

(b) Any sale, assignment, lease or other transfer of any of its properties used in the conduct of the business and operations of the Stations, except in connection with the acquisition of similar property or asset;

(c) Any creation or assumption of any mortgage, pledge or other lien or encumbrance upon any of its assets or properties used in the conduct of its business and operations of the Station.

7.15 Infringement. To the best knowledge of Seller, the operation of the Stations does not infringe any trademarks, service marks, copyrights or other intellectual property owned by others.

7.16 Disclosure. Neither this Agreement nor any other document, certificate or schedule delivered pursuant hereto by or on behalf of Seller contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein and therein not misleading.

7.17 Settlement of Buyer's Capital Expenditures. Buyer has had to make several equipment upgrades during the term of the LMA, Attached as Exhibit F, and as referenced in section 7.14(a) (above). In consideration of those expenses incurred by Buyer associated with the upgrades; Seller and Buyer have agreed on the Purchase Price and Seller shall have no further obligation to Buyer for any claim, payment and or reimbursement of said expenses.