

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of the 15th day of September, 2003, by and between Robert R. Rule d/b/a Rule Communications (hereinafter referred to as "Seller"), and Appaloosa Broadcasting Company, Inc., a Delaware Corporation (hereinafter referred to as "Buyer").

W I T N E S S E T H:

WHEREAS, Seller is the licensee of standard FM Broadcast Station KHAT, Laramie, Wyoming (hereinafter referred to as "Station"); and

WHEREAS, Seller desires to sell the Station to Buyer; and

WHEREAS, Buyer desires to purchase certain personal property used and useful in the operation of the Station, to acquire certain contracts and leases used by Seller, and to be assigned the license authorizations issued by the Federal Communications Commission (hereinafter referred to as the "Commission") for operation of the Station; and

WHEREAS, the license authorizations issued by the Commission for the operation of the Station may not be assigned to Buyer without the prior consent of the Commission.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties intending to be legally bound agree as follows:

Assets to be Conveyed

1. Upon the Closing Date, as hereafter defined, Seller will assign, transfer, convey and deliver to Buyer:

- (a) To the extent permitted by law, the licenses and any other authorizations issued by the Commission for the operation of the Station and its auxiliary facilities, together with all other licenses, permits or authorizations issued by any other governmental or regulatory agencies which are used or useful in the operation of the Station as set out in Appendix A;
- (b) The tangible personal property used and useful in the operation of the Station as more particularly set out in Appendix B hereto, together with replacements thereof, and improvements and additions thereto made between the date hereof and the Closing Date, free and clear of all liens, security interests, claims, charges and encumbrances;
- (c) All unused portions of all manufacturers' original equipment warranties;
- (d) Leases and contracts, copies of which are more particularly set out in Appendix C hereto;
- (e) All real property leases including, but not limited to, the lease from Seller to Buyer of the tower and appropriate space in the associated building used as the location for the Station's antenna and transmitter, as more particularly set out in Appendix D hereto; and
- (f) Books and records relating to the tangible personal property and authorizations for the Station, engineering data, programming records, logs, local public inspection file materials, and correspondence used or held in connection with operation of the Station or necessary or desirable to show compliance with any law or regulation applicable to operation of the Station.

Assets to be Retained

2. Seller shall retain:
- (a) Cash and cash equivalents;
 - (b) All computers and studio equipment, unless listed in Appendix B;
 - (c) Ownership of the tower and tower site building and fixtures ("Antenna Site"); and
 - (d) Buyer shall not assume any liabilities or other obligations of Seller.

Purchase Price; Method of Payment; Allocation; and Security

3. As consideration for the conveyance of the assets listed in Section 1, above, and the promises and covenants contained herein, Buyer agrees to pay to Seller the cash purchase price, in the sum of Five Hundred Twenty-five Thousand Dollars (\$525,000) ("Purchase Price"), and enter into a Consulting Agreement with Seller providing for cumulative compensation to be paid to Seller thereunder in the amount of Two Hundred Fifty Thousand Dollars (\$250,000), as described in Subsection (d) below. The Purchase Price shall be paid and the Consulting Agreement delivered by Buyer to Seller in the following manner:

- (a) The sum of Fifty Thousand Dollars (\$50,000) in readily available funds (hereinafter referred to as "Earnest Money") shall be delivered by Buyer to Seller upon the execution of this Agreement. Should such Earnest Money not be delivered to Seller upon the execution of this Agreement, neither this Agreement nor that certain Time Brokerage Agreement by and between the Seller and Buyer shall have any validity or effect.
- (b) At the Closing, Buyer will:
 - (i) Pay to Seller the sum of One Hundred Fifty Thousand Dollars (\$150,000) by wire transfer of immediately available federal funds, to an account identified by Seller to Buyer, in writing, no later than two business days prior to the Closing Date; and
 - (ii) Deliver to Seller a promissory note executed by Buyer, in the face amount of Three Hundred Twenty-five Thousand Dollars (\$325,000) ("Note"), which shall accrue interest, compounded monthly, at a rate of 5% per annum, and be payable in full on the fifth (5th) anniversary date of the Closing Date, in the form attached hereto as Appendix F.
- (c) The Purchase Price shall be allocated among the assets being conveyed by Seller to Buyer. Each of Seller and Buyer agree: (i) jointly to complete, exchange at Closing, and separately file IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs, and (ii) that neither Seller nor Buyer will take a position on any income tax return consistent with the values set forth in the IRS Form 8594 and the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code") that is in any manner inconsistent with the terms of any such allocation without the written consent of the other.
- (d) Buyer and Seller shall enter into a consulting agreement at closing in the form attached hereto as Appendix G ("Consulting Agreement"). The Consulting Agreement shall be for a term of five (5) years with total compensation in the sum of Two Hundred Fifty Thousand Dollar (\$250,000) payable in sixty (60) equal monthly installments.
- (e) Payments under the Note and Consulting Agreement shall be secured by a security and pledge agreement ("Security and Pledge Agreement") in the form of Appendix H giving Seller a first priority security interest in the Station property acquired by Buyer from Seller, all accounts receivable associated with the Station, and any proceeds from the sale of the Station licenses, and under which 100% of the corporate stock of Buyer shall be pledged to Seller. Payments under the Note and Consulting Agreement shall also be personally guaranteed by Steven Silberberg in accordance with a guaranty agreement in the form attached hereto as Appendix I ("Guaranty Agreement"). The Security and Pledge Agreement, and the Guaranty Agreement, shall remain in force until such time as the Note and Consulting Agreement,

and all applicable interest, late fees, other fees and expenses, are paid in full.

(f) The amount of funds delivered at Closing, as provided in Subsection (b)(ii) above, shall be subject to adjustment to account for proration of items with respect to operation of the Station as of the Closing Date, with Seller being responsible for and receiving the benefit of such items to the extent that they relate to periods ending before the Closing Date and Buyer being responsible for and receiving the benefit of items to the extent that they relate to periods from and after the Closing Date.

Seller's Representations and Warranties

4. Seller represents and warrants to Buyer that:

(a) Appendix A contains a complete list of the Commission authorizations that Seller holds with respect to the operation of the Station. Seller is the valid, legal holder of all such license authorizations set forth on Appendix A. There are no proceedings or complaints pending at the Commission as of the date hereof relating to the operations of the Station, or, to the knowledge of Seller, have any such proceedings or complaints been threatened. Such authorizations, including extensions or renewals thereof shall, on the Closing Date, be in full force and effect and unimpaired by any acts or omissions of Seller, or Seller's employees or agents. All material reports and documents required by the Commission to be prepared and/or filed by Seller with regard to the Station have been prepared and/or filed, and all regulatory fees owing to the FCC in connection with the Station have been timely and fully paid.

(b) Between execution hereof and the Closing Date, the Station shall be operated in its normal and customary manner or in accordance with the terms of a Time Brokerage Agreement between Buyer and Seller, as described in Section 27 below.

(c) Seller now has and at Closing shall have good and marketable title to all of the real and personal property listed and described in Appendices B and D, or replacements thereof made in the normal course of business, and shall transfer same free and clear of all liens, mortgages, security interests, claims, pledges and encumbrances. All tangible personal property and assets currently used in the operation of the Station that shall be transferred are listed in Appendix B hereto. Seller now has, and will continue to have until the Closing Date, adequate insurance covering all assets to be acquired by Buyer. In the event of any loss or damage, the proceeds of, or any claims for losses payable under any insurance policy with respect thereto shall go to Seller and shall be used to repair, replace, or restore such lost or damaged assets and to restore the Station to its former condition.

(d) The transmitting equipment, together with the other tangible personal property listed in Appendix B, are used by Seller in the operation of the Station and will at Closing be conveyed in good operating condition and shall comply with all FCC operating parameters.

(e) Between the date hereof and the Closing Date, Seller will not sell or agree to sell or otherwise dispose of the tangible personal property described in Appendix B without Buyer's consent, which consent may be withheld at Buyer's absolute discretion.

(f) There is no pending or, to Seller's knowledge, threatened litigation, suit, investigation or proceeding which may give rise to any material claim against any of the assets to be conveyed or upon Seller's ability to perform in accordance with the terms of this Agreement.

(g) Seller agrees that prior to the Closing Date, if it receives an administrative or other Order relating to any violation of the Rules and Regulations of the Commission, or any other federal, state or local regulatory or administrative body, including rules regarding the employment of labor or equal employment opportunity, it will remove or correct all such violations or be responsible for the costs of removing such. As of the date of this Agreement, Seller is not aware of any such violations or pending investigations concerning such violations.

(h) Seller has, or by the Closing Date will have, paid and discharged all taxes, assessments, excise and other levies which, if due and not paid, would interfere with Buyer's full enjoyment of the assets, facilities, licenses or other items conveyed hereunder; excepting such taxes, assessments, and other levies which will not be due until after the Closing Date and which are to be prorated between Seller and

Buyer pursuant to the provisions hereof.

(i) Seller shall maintain all tangible assets to be sold or replacements thereof in operating condition and shall comply with the terms of all contracts and leases being assigned to Buyer.

(j) Seller shall promptly notify Buyer of any unusual or material developments with respect to the business or operations of the Station.

(k) Seller knows of no reason why the Commission would not consent to the assignments of the authorizations set forth in Appendix A.

(l) Seller has, in the conduct of the affairs of the Station, complied in all material respects with all applicable laws, rules and regulations applicable to the Seller and the Station including, without limitations, (i) the Communications Act of 1934, as amended, and the regulations promulgated thereunder; and (ii) laws relating to the employment of labor, including those relating to wages, hours, collective bargaining and the payment of Social Security and similar taxes and is not liable for any arrears of wages or any tax penalties for failure to comply with any of the foregoing. No Station employees are represented by a union or other collective bargaining unit and there is pending no litigation or threatened litigation between Seller and any of its employees.

(m) Neither this Agreement, nor any Appendix or certificate attached hereto or executed in connection with the transaction contemplated hereby contains, or will contain any, untrue statement of a material fact or omits or will omit to state a material fact. Seller has no knowledge of any facts or circumstances that either individually or in the aggregate, will materially adversely affect after the Closing the business or condition (financial or otherwise) of the Station or the assets being acquired by the Buyer.

(n) The covenants, representations and warranties of the Seller contained in this Section 4 or in any certificate or document delivered pursuant to the provisions of this Agreement shall be true on the Closing Date.

(o) Patrick Communications LLC has represented Seller as its sole broker for this transaction and Seller shall be solely responsible for any fees due.

(p) In all material respects, the Station is being operated in accordance with (i) the terms and conditions of its FCC authorizations related to the Station and (ii) all rules and regulations of the Commission. Prior to the Closing, Seller shall operate the Station in all material respects in accordance with the Commission's rules and regulations and with all other laws, regulations and orders and shall not cause or permit the license or any other authorization from the Commission related to the Station to expire, be surrendered, materially adversely modified or otherwise terminated.

(q) All leases and contracts are in full force and effect; and that Seller is not in violation of any terms or conditions of such leases and contracts. The parties shall enter into a lease at Closing for the Antenna Site owned by Seller, in the form attached hereto as Appendix K.

(r) To the best of Seller's knowledge no hazardous material has been deposited on the real property and that this property complies with all federal, state and local laws concerning hazardous materials.

Buyer's Representations and Warranties

5. Buyer represents and warrants to Seller that:

(a) It knows of no reason why it should not be found qualified by the Commission to be the licensee of the Station and, prior to Closing hereunder, Buyer will take no action which will disqualify it from being the licensee of the Station, and that in the event facts which would disqualify Buyer should come to Buyer's attention, Buyer will use reasonable efforts to remove such disqualification.

(b) The execution and performance of this Agreement will not conflict with or result in any breach or violation of, or constitute a default under, any laws or regulations, or agreements or other instrument to

which Buyer is a party.

(c) There is no litigation, court or administrative proceeding, or investigation pending, or to Buyer's knowledge, threatened against or relating to Buyer which would impede the transaction contemplated hereby.

(d) Buyer has the financial resources to perform under this Agreement in a timely manner.

(e) The covenants, representations and warranties of the Buyer contained in this Section 5 or in any certificate or document delivered pursuant to the provisions of this Agreement shall be true on the Closing Date and shall survive the Closing.

(f) Buyer is a corporation, duly organized, validly existing, and in good standing under the laws of the State of Delaware.

(g) The execution and delivery of this Agreement has been duly authorized by Buyer's Board of Directors, and certified copies of these Resolutions shall be delivered to Seller on the Closing Date. This Agreement has been duly executed and delivered to Seller and constitutes a valid and binding agreement with Buyer.

Seller's Indemnification Obligation

6. Seller undertakes and agrees to hold harmless the Buyer, its successors and assigns against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorneys' fees and costs, incurred or assumed by the Buyer arising from breach, misrepresentation, or other violation by Seller of any of the covenants, warranties and representations contained in this Agreement and for and against any undisclosed liabilities provided that such shall not have been corrected within thirty (30) days after receiving notice from Buyer. The foregoing indemnity is intended by the Seller to cover all acts, suits, proceedings, claims, demands, assessments, and adjustments with respect to any and all of the specific matters in this indemnity set forth and shall be without limitation as to amount. In the event that any claim is asserted against Buyer, that, if established, would constitute a breach of any of the covenants, warranties or representations contained in this Agreement, the Buyer shall promptly give the Seller written notice of such claim. Within ten (10) days thereafter, Seller shall inform Buyer in writing whether Seller will defend such claim. Should Seller elect not to defend, Buyer may defend such claim. In either event, Seller shall be liable for the costs of such defense. Neither Seller nor Buyer shall settle any claim in a manner adverse to the other without the other's consent, which consent shall not be unreasonably withheld. Said indemnification shall include Seller's authority to enter into this transaction. This indemnification shall survive Closing for a period of one (1) year.

Buyer's Indemnification Obligation

7. Buyer undertakes and agrees to hold harmless the Seller, its successors and assigns against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorneys' fees, incurred or assumed by the Seller arising from breach, misrepresentation, or other violation by Buyer of any of the covenants, warranties, and representations contained in this Agreement and for and against any undisclosed liabilities provided that such shall not have been corrected by Buyer within thirty (30) days after receipt of written notice to the Buyer. The foregoing indemnity is intended by the Buyer to cover all acts, suits, proceedings, claims, demands, assessment, and adjustments with respect to any and all of the specific matters in this indemnity set forth and shall be without limitation as to amount. In the event that any claim is asserted against the Seller that, if established, would constitute a breach of any of the covenants, warranties, or representations contained in this Agreement, the Seller shall promptly give the Buyer written notice of such claim. Within ten (10) days thereafter, Buyer shall inform Seller in writing whether Buyer will defend such claim. Should Buyer elect not to defend, Seller may defend such claim. In either event, Buyer shall be liable for the costs of such defense. Neither Seller nor Buyer shall settle any claim in a manner adverse to the other without the other's consent, which consent shall not be unreasonably withheld. Said indemnification shall include Buyer's authority to enter into this transaction. This indemnification shall survive the Closing for a period of one (1) year.

Risk of Loss

8. The risk of loss or damage to the assets being sold to Buyer hereunder shall be upon Seller at all times prior to the Closing. In the event of such loss or damage, Seller shall repair, replace or restore such assets as soon as possible. If Seller cannot restore the transmission facilities of the Station so that normal and usual broadcast transmissions can be resumed before the Closing, the Closing may be postponed, at Buyer's option, until such broadcast transmissions have been resumed or this Agreement may be terminated by Buyer at Buyer's election (and if so terminated the Earnest Money will be returned to Buyer).

Covenants of Seller and Buyer

9 Buyer and Seller shall act in accordance with the following:

- (a) Conditions If any event should occur, either within or without the control of any party hereto, which would prevent fulfillment of the conditions upon the obligations of any party hereto to consummate the transactions contemplated by this Agreement, the parties hereto will use their best efforts to cure the event as expeditiously as possible.
- (b) Cooperation Each shall cooperate fully with the other in taking any actions, including actions to obtain the required consent of any governmental instrumentality or any third party, necessary or helpful to accomplish the transactions contemplated by this Agreement.
- (c) Governmental Consents If the consent of any governmental instrumentality contains any condition, the party upon which such condition is imposed shall use its best, diligent and good faith efforts to comply therewith before the Closing Date; provided, however, that no party hereto shall be required hereunder to comply with any condition where compliance would be unduly burdensome or would have a material adverse effect upon it.
- (d) Inconsistent Acts No party shall take any other action inconsistent with obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this agreement.
- (e) Ensure Closing Each shall each act and refrain from acting, as the case may be, so that each of Buyer's and Seller's representations and warranties in this Agreement shall be true on and as of the Closing Date, and each shall use its best efforts to ensure that the transactions contemplated hereby shall be consummated.
- (f) Further Assurances Buyer and Seller shall cooperate and take such actions, and execute such other documents, at Closing or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

Insurance

10. Appendix L contains a complete and accurate list evidencing all insurance policies and bonds in force with respect to the Station. All such policies will remain in full force and effect through the Closing Date. In the event the Seller's property and casualty coverage is for an amount less than the Purchase Price, Seller shall increase its coverage to such limits. Between the date hereof and the Closing Date, Seller shall maintain time elements and consequential loss coverages, including business interruption, loss of rents (if necessary), and extra expense, in such amounts as are customary for a business of the nature of the Station. Buyer shall be endorsed as an additional insured on all policies maintained by Seller covering the Station.

Seller shall, if permitted, at Closing and it does not cost Seller any money, assign to Buyer all right, title and interest in its policies of insurance, including, but not limited to, right to maintain any claims with the

insurance carrier and to receive any unearned insurance premiums.

Application for Commission Consent

11. Upon execution hereof, Seller and Buyer shall join in an application ("Application") to be filed with the Commission no later than the later of: (i) five (5) business days of the date of this Agreement; or (ii) the first business day after the Commission begins accepting applications, requesting the Commission's consent to the assignment of the authorizations of the Station from Seller to Buyer and they will diligently take all steps necessary or desirable and proper expeditiously to prosecute such application or applications and to obtain the Commission's determination that grant of the application or applications will serve the public interest, convenience and necessity. It is expressly understood that time is of the essence with regard to the filing of the application under this Section. Seller and Buyer to split any Commission filing fees associated with such application.

Control of the Station

12. This Agreement shall not be consummated until after the Commission has given its consent hereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise, direct or attempt to control, supervise or direct the operation of the Station, but such operation shall be the sole responsibility of the Seller, except as provided under the terms of the Time Brokerage Agreement between Buyer and Seller described below in Section 27.

Commission Consent

13. If a Final Order (as defined below) granting the FCC's consent to the Application is not secured within one year of the date of this Agreement, or if Closing has not occurred within one year of the date of this Agreement, this Agreement may be declared null and void at the option of Buyer or Seller upon ten (10) days written notice to the other and the Earnest Money, and all interest earned thereon, shall be promptly returned to the Buyer; provided, however, that the Earnest Money and interest shall not be returned to the Buyer if Buyer is in default hereunder, and provided further, however, that Buyer may not terminate this Agreement if Buyer is in default hereunder or in default of the Time Brokerage Agreement, or if a delay in any decision or determination by the Commission respecting said application has been caused or materially contributed to by any failure on the part of Buyer to furnish, file or make available information within Buyer's control or caused by willful furnishing by Buyer of incorrect, inaccurate or incomplete information to the Commission, or caused by any action taken by Buyer for the purposes of delaying any decision or determination respecting said application. Further, should the Commission request information from a party, and such party does not furnish the Commission such information in a form satisfactory to the Commission within the time frame requested or within fourteen (14) days of the date of such request if no time frame was requested, such party shall be in default under this Agreement. If the FCC dismisses, denies, or designates the Application for a hearing, then either party may terminate this Agreement on ten (10) days' prior written notice to the other and Earnest Money shall be promptly returned to Buyer provided Buyer is not in default hereunder or in default of the Time Brokerage Agreement.

Closing Date

14. The Closing of this Agreement shall be on the date ten (10) days after the Commission's consent to the assignment of the Station license authorization, issued by the Commission for the operation of the Station, from Seller to Buyer becomes a Final Order (as herein defined) (the "Closing Date"). The Closing shall take place at 10:00 a.m. at the offices of Seller at 2232 Dell Range Blvd., Cheyenne, WY 82009-4994, or at such other date and time mutually agreed upon in writing by the parties.

Closing Documents

15. On the Closing Date at the closing place:
- (a) Seller shall deliver to Buyer:
 - i. One or more bills of sale conveying to Buyer all of the tangible personal assets;
 - ii. One or more assignments, with all necessary consents, assigning to Buyer all of the leases, contracts, insurance and other agreements to be assigned to Buyer hereunder;
 - iii. An assignment transferring all of the interests of Seller in and to the authorizations issued by the Commission for the operation of the Station;
 - iv. A lease for a portion of the Antenna Site, as provided in Section 1(e) above;
 - v. The Consulting Agreement;
 - vi. A Certificate, as provided in Section 17(a) below;
 - vii. The Option Agreement, as described in Section 28 below; and
 - viii. Such other documents reasonably requested by Buyer.
 - (b) Buyer shall deliver to Seller:
 - i. The considerations set forth in Section 3 hereof, including the Note, Guaranty Agreement executed by Steven Silberberg, and Security and Pledge Agreement;
 - ii. A UCC-1 financing statement, evidencing the Security Agreement;
 - iii. Certified copies of the Board resolutions required of Buyer, as described in Section 5(g) above;
 - iv. The Consulting Agreement;
 - v. A lease for a portion of the Antenna Site, as provided in Section 1(e) above;
 - vi. A Certificate, as provided in Section 18(d) below; and
 - vii. Such other documentation reasonably requested by Buyer.
 - (c) The parties will also execute such other documents and perform such other acts before and/or after Closing, as may be necessary for the implementation and consummation of this Agreement.

Survival of Representation and Warranties

16. The several warranties and representations of the parties herein contained shall survive the Closing Date for a period not to exceed one (1) year.

Conditions to Buyer's Obligations

17. The obligations of Buyer to consummate this Agreement are subject to the satisfaction on or prior to the Closing Date of each of the following conditions. If any of the following conditions are not satisfied on or prior to the Closing Date, the Buyer shall be entitled to the return of the Earnest Money.

- (a) The representations and warranties of the Seller to the Buyer, set forth in this Agreement, shall be true, complete and correct in all material respects as of the Closing Date with the same force and

effect as if then made and such fact shall be evidenced by a Certificate to that effect, delivered at the Closing Date, and signed by the Seller.

(b) At the Closing, Seller shall deliver or cause to be delivered to Buyer all the assets described in Section 1 above.

(c) All of the terms, covenants and conditions to be complied with, or performed by Seller on or on before the Closing Date, shall have been duly complied with and performed.

(d) Buyer shall have received copies of all actions taken by Seller necessary to authorize the transactions provided for herein.

(e) On the Closing Date, Seller will be the duly authorized holder of the Commission authorizations covering the Station to the extent that such authorizations can be owned or held by Seller under the Communications Act of 1934, as amended, and said Commission authorizations shall be in full force and effect and will be unimpaired by any acts or omissions of Seller or its employees or agents.

(f) The Commission shall have given its consent to the assignment of the authorizations contemplated hereby, and such consent shall become a Final Order, which is expressly defined as an Order with respect to which the time for any and all requests for administrative review by the Commission on its own Motion or otherwise, or judicial review, have expired, and no such proceedings have been timely requested or instituted. Notwithstanding the foregoing provision, it is understood that Buyer and Seller may mutually agree to a Closing Date subsequent to Commission consent to the transaction, contemplated hereby, but prior to the date upon which such consent becomes a Final Order.

(g) Seller shall deliver to Buyer all documents specified in Section 15(a).

Conditions to Seller's Obligations

18. The obligation of Seller to consummate this Agreement is subject to the satisfaction on or prior to the Closing Date of each of the following conditions:

(a) The condition set forth herein with respect to the consent of the Commission shall have been met.

(b) Buyer shall make payment of the Purchase Price as provided in Section 3.

(c) All of the terms, covenants and conditions to be complied with by Buyer on or before the Closing Date shall have been duly complied with and performed.

(d) The representations and warranties of Buyer set forth in this Agreement shall be true, complete and correct as of the Closing Date with the same force and effect as it then made and such fact shall be evidenced by a Certificate to that effect, delivered at the Closing Date and signed by the Buyer.

(e) Buyer shall deliver to Seller all documents specified in Section 15(b).

Notices

19. All necessary notices, demands, and requests required or committed to be given under the provisions of this Agreement shall be in writing and shall be deemed duly given if mailed by certified mail, postage prepaid, or FedEx, addressed as follows:

(a) If to Buyer: Steven A. Silberberg
288 South River Road
Bedford, NH 03110

Copy to: Barry A. Friedman, Esq.
Thompson Hine LLP

1920 N Street, NW, Suite 800
Washington, DC 20036-1600

(b) If to Seller: Robert R. Rule
Rule Communications
2232 Dell Range Boulevard - Suite #103
Cheyenne, WY 82009-4994

Copy to: John F. Garziglia, Esq.
Womble Carlyle Sandridge & Rice, PLLC
1401 I Street, N.W. 7th Floor
Washington, DC 20005

Counterparts

20. This Agreement may be signed in any number of counterparts with the same effect if the signature of each such counterpart were the same instrument. The Agreement may not be altered or amended except in writing agreed to by both parties.

Headings

21. Headings to the Sections of this Agreement are for convenience only and in no way modify, interpret, or construe the specific provisions of the Agreement.

Choice of Laws

22. This Agreement is to be construed and governed by the laws of the State of Wyoming and any action relating to this Agreement or any of the transactions contemplated by it shall be brought in either state or federal courts located in the State of Wyoming.

Damages; Specific Performance

23. (a) If this Agreement is terminated as a result of default by Buyer, this Agreement will become null and void and of no further force and effect and Seller shall be entitled to retain the full amount of the Earnest Money. Receipt of the Earnest Money shall be Seller's sole and exclusive remedy against Buyer arising from termination of this Agreement, both parties acknowledging that calculation of actual damages under such circumstances would otherwise be impossible.

(b) Parties acknowledge and agree that monetary damages would not be a sufficient remedy for any breach of this Agreement by Seller, and that Buyer shall be entitled to specific performance as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement by Seller but shall be in addition to all other remedies available at law or equity to Buyer.

Standards

24. Seller agrees that prior to Closing all equipment shall be compliant with current FCC rules and regulations.

Assignability

25. This Agreement may be assigned to an affiliate of Buyer organized to operate the Station described within.

Entire Agreement

26. This Agreement, including all schedules, appendices and exhibits attached hereto, and all certificates prepared in connection herewith, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes and cancels all prior negotiations, agreements, understandings or arrangements between the parties hereto with respect to the subject matter hereof.

Time Brokerage Agreement

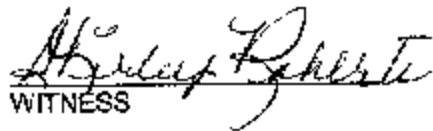
27. The parties hereto agree to enter into a Time Brokerage Agreement, as set out in Appendix M.

Option Agreement

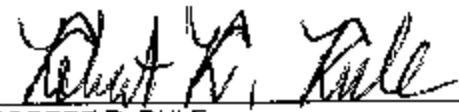
28. At the Closing, Seller agrees to enter into an Option Agreement with and affiliate of Buyer, as set out in Appendix N, containing terms for possible purchase of the Antenna Site from Seller by the affiliate of Buyer.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

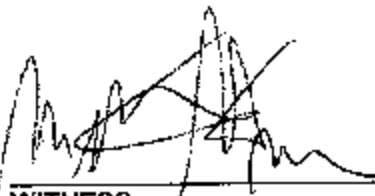
ROBERT R. RULE D/B/A
RULE COMMUNICATIONS


WITNESS

By:


ROBERT R. RULE

APPALOOSA BROADCASTING COMPANY, INC.


WITNESS

By:


STEVEN A. SILBERBERG, PRESIDENT

APPENDIX A

Schedule of Licenses

KHAT – FM (96.7 FM)

STL (947.5 MHz) license (Buyer to pay to move and re-license the STL)

APPENDIX B

Schedule of Assets and Tangible Property

Nautel Model FM5 5000 watt FM Transmitter (operated at 3500 watts per FCC current authorization)

Shively Labs Model 6813 six-bay half-wave spaced FM antenna, with Heliax transmission line

Moseley Model SL9003 STL transmitter on 947.5 MHz

Moseley Model SL9003 STL receiver on 947.5 MHz

Sine Systems Model RFC-1/B remote control with Model RP-8 relay panel

APPENDIX C

Schedule of Leases and Contracts

"Trade-outs" presently exist with:

Yellow Book (Yellow Pages)

Pyxis (PCS Wireless Phone Provider)

Balloon Family/Zen's Bistro (Flowers/Balloons/Coffee House)

Optical Fashions (This one will be terminated)

Wyoming.com (This one will be shifted to KPIN in Pinedale, Wyoming)

Turner Draperies

Big-O Tires

APPENDIX D

Real Property Lease

The Real Property Lease follows this page.

APPENDIX E

[Omitted]

APPENDIX F

Promissory Note

The one-page Promissory Note follows this page.

APPENDIX G

Consulting Agreement

The Consulting Agreement follows this page.

APPENDIX H

Security and Pledge Agreement

The Security and Pledge Agreement follows this page in two sections:

Security Agreement

Pledge Agreement

APPENDIX I

Guaranty Agreement

The one page Guaranty Agreement follows this page.

APPENDIX J

[Omitted]

APPENDIX K

Lease Agreement

The Lease Agreement referenced as being “Appendix K” is the Lease Agreement which appears as “Appendix D” in this Asset Purchase Agreement.

Appendix L

List of Insurance Policies and Bonds

Insurance is with: Talbot – BHJ Insurance, Inc., Cheyenne, Wyoming The Policy Number is CPP4904528 and expires May 25, 23004.

There are no Bonds.

APPENDIX M

Time Brokerage Agreement

The Time Brokerage Agreement follows this page.

APPENDIX N

Option Agreement

The Option Agreement follows this page.