

DONATION AGREEMENT

This Donation Agreement (“Agreement”) is entered into this 8th day of April 2015 by and between FiveStar Media Corporation (“Donor”) and New Mexico Junior College Foundation, a New Mexico nonprofit corporation (“Donee”). Donor and Donee hereby agree to the donation of certain assets of, and the assignment of the license (“License”) for, FM Broadcast Station KPER, Eunice, New Mexico (FCC Facility ID No. 40206) (“Station”) from Donor to Donee upon the following terms and conditions.

1. FCC Approval. The consummation of this Agreement shall not take place until after the Federal Communications Commission (“FCC” or “Commission”) has issued a Public Notice giving consent to the assignment of the License from Donor to Donee.

2. Assets Included in Transaction. The assets being donated, transferred, and assigned (“Assets”) shall consist of:

- (a) The License, including any auxiliary authorizations issued by the Commission, expiring October 1, 2021, with respect to the operation of the Station;
- (b) All of Donor’s right, title and interest in and to the use of the Station’s current call letters KPER (“Call Letters”);
- (c) The tangible assets listed on Schedule “1” hereto (“Tangible Personal Property”); and
- (d) All records in the possession of Donor that are required by the Commission to be maintained with respect to the operation of the Station, including the material in the Station’s Public Inspection File and Station operating logs, but excluding all financial data, books of accounts, journals and tax returns of Donor (“Records”).

The parties agree that Donor has informed Donee that the value of the Assets for purposes of the Donor’s charitable contribution is \$135,024.00 (the “Value”). It is understood

and agreed that Donee is not knowledgeable in valuing the Station. No goods or services will be or have been provided by Donee to Donor in return for the donation of the Station. Donor will be responsible for obtaining at its expense any independent appraisal it deems necessary to substantiate the Value.

3. Assets Excluded from Transaction and Liabilities Excluded. There shall be excluded from this donation all cash on hand or in banks (or equivalent assets), the Station's accounts receivable and all assets of the Station not specifically conveyed to Donee by this Agreement. Donor and Donee agree that Donee is not assuming and is not agreeing to pay any liabilities of Donor. This donation is a donation of assets only and does not include the assumption of any liability of Donor of any nature whatsoever, except as set forth in paragraph 4 of this Agreement.

4. Tower Lease. Donor will use commercially reasonable efforts to have the landlord consent to the assignment to Donee at Closing all of Donor's rights and obligations pursuant to that certain lease dated November 1, 2010 between Donor (as tenant) and InSite Towers, LLC and Vanguard Wireless, LLC (as landlord's successors in interest) relating to the Station (the "Tower Lease").

5. Expenses. Donor and Donee shall each be responsible for its own legal, engineering and related fees related to this donation.

6. Representations, Warranties, and Covenants of Donor. Donor hereby represents, warrants and covenants that:

(a) Status. Donor is a corporation duly organized, validly existing and in good standing under the laws of the State of Arkansas.

(b) Authority. Donor has taken all requisite corporate action authorizing Donor, by and through its duly elected officers, to enter into this Agreement and to execute and deliver all documents contemplated hereby, together with such other documents, as may reasonably be requested by the Donee or the Commission.

(c) License. Donor is holder of the License issued by the Commission for the operation of Station KPER, Eunice, New Mexico. The License is currently in effect, but the Station has been off the air pursuant to Commission authority since August 15, 2014, and Donor hereby undertakes no obligation to restore the Station to on-air operation prior to the Closing.

(d) No Pending Litigation or Proceeding. There is no judgment, litigation, proceeding or investigation by or before the Commission or any other person, firm or governmental agency pending, or to the knowledge of the Donor, threatened which affects or would affect the right, title or interest of Donor in the License, the Tangible Personal Property, or the Records to be transferred hereunder.

(e) As-is Donation. Donor makes no representation or warranty with respect to the condition of the Tangible Personal Property and Records, which will be conveyed to Donee "as is" by a quitclaim bill of sale and assignment.

7. Representations, Warranties, and Covenants of Donee. The Donee covenants, represents and warrants:

(a) Status. Donee is a not for profit 501(c)(3) entity under the Internal Revenue Code, duly organized, validly existing and in good standing under the laws of the State of New Mexico, and Donee intends to operate the Station to further its tax-exempt purposes.

(b) Authority. Donee has taken all requisite organizational action authorizing Donee, by and through its duly authorized representatives, to enter into this Agreement and to

execute and deliver all documents and contracts contemplated hereby, together with such other documents, as may reasonably be requested by the Donor or the Commission.

(c) Legal Qualifications. Donee knows of no reason why it should not be found duly qualified by the Commission to become the licensee of the Station and prior to Closing hereunder shall do no act which will disqualify it from becoming such licensee.

8. Indemnity. From the date of this Agreement and for a period of one year following the Closing:

(a) Donor shall indemnify and hold Donee, its principals, employees, agents, independent contractors and assigns, harmless from and against any and all notes and accounts payable, commitments, obligations and liabilities (including reasonable attorneys' fees and expenses) incurred or made by Donor, or anyone acting on its behalf, up to the time of Closing in connection with the Station, this Agreement, or any other agreement between Donor and Donee, or caused by, arising out of or resulting from any act or omission of Donor, or anyone acting on Donor's behalf; and

(b) Donee shall indemnify and hold Donor, its principals, employees, agents, independent contractors, and assigns, harmless from and against any and all notes and accounts payable, commitments, obligations, and liabilities (including reasonable attorneys' fees and expenses) incurred or made by Donee or anyone acting on its behalf, after the time of Closing in connection with the Station, this Agreement or any other agreement between Donor and Donee, or caused by, arising out of or resulting from any act or omission of Donee or anyone acting on Donee's behalf.

9. Applications to the Commission and Responsibility for Costs. Within five (5) days from the date of this Agreement, Donor and Donee will cooperate in the preparation and

filing with the Commission of their respective parts of an application for consent to assignment of the License. The parties will take such other steps as may be necessary and appropriate to secure the consent to assignment of said license and to provide the Commission with any further documents or information that may be requested in connection therewith; and neither shall do anything directly or indirectly to impede or prevent such consent. All costs involved in making such application will be borne by the party incurring same, and any required Commission filing fee shall be paid one half each by Donor and Donee, whether or not the donation described in this Agreement is consummated. At the same time as Donor and Donee file the license assignment application with the Commission, Donee shall file with the Commission an application to designate the Station as a noncommercial educational facility (the "Noncommercial Designation Application") and shall thereafter use its best efforts to prosecute the Noncommercial Designation Application to final FCC grant, subject to the terms of this Agreement.

10. Failure of Commission to Consent to Assignment or Other Grounds for Termination Without Closing. In the event Commission grant of either the assignment of the License or of the Noncommercial Designation Application is not obtained within twelve (12) months from the date on which the application is filed, if the Commission designates the application for hearing, or upon a material uncured breach of either party following notice thereof, either Donor or Donee may terminate this Agreement by giving notice by Certified Mail to the other party.

11. Time and Place of Closing. The closing shall take place at a time and date mutually agreeable to the parties within five (5) days after the Public Notice of the consent by the Commission to the assignment of the license for Station from Donor to Donee, provided all

other closing conditions are met. The Closing shall be at the offices of Lerman Senter PLLC, 2000 K Street, NW, Suite 600, Washington, DC or at such other location as may be acceptable to the parties (the "Closing Place").

12. Control of Station. Until the Closing hereunder, Donor shall have complete control of the Station and its operation.

13. Benefit and Construction. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns. This Agreement cannot be assigned by either party without the written consent of the other party. This Agreement shall be construed pursuant to the laws of the State of Arkansas.

14. Notices. All necessary notices, demands and requests shall be deemed duly given if mailed by Certified Mail, postage prepaid, and addressed as follows:

TO DONOR: FiveStar Media Corporation
214 North Washington
Suite 307
El Dorado, AR 71730
Attn: Tracy Alderson Fort

COPY TO: Dennis P. Corbett, Esq.
Lerman Senter PLLC
2000 K Street, NW
Suite 600
Washington, DC 20006

TO DONEE: New Mexico Junior College Foundation
5317 Lovington Highway
Hobbs, NM 88240
Attn: Larry Sanderson

COPY TO: Maddox, Holloman & Moran, PC
P. O. Box 2508
Hobbs, NM 88241
Attn: Scotty Holloman

15. Conditions to Closing. The obligations of Donor and Donee hereunder are, at each's option, subject to compliance with, on or prior to the Closing, each of the following conditions:

(a) The FCC shall have granted the license assignment application and the Noncommercial Designation Application without the imposition of any conditions materially adverse to Donor or Donee;

(b) Donor's and Donee's representations and warranties shall be true and correct in all material respects on and as of the Closing as though such representations and warranties were made at and as of such time; and

(c) Donor and Donee shall have performed and complied in all material respects with the terms, covenants, and conditions required by this Agreement to be performed and complied with by each of them on or before the Closing.

16. Donor's Performance at Closing. At Closing at the Closing Place, Donor shall execute and deliver or cause to be delivered to Buyer:

(a) An assignment to Donee of the License for Station, together with any and all other related authorizations;

(b) A quitclaim Bill of Sale and Assignment assigning, transferring and conveying to Buyer free and clear title to all of the Tangible Personal Property and Records to be acquired by Buyer "as is" pursuant to the terms of this Agreement; and

(c) An assignment of the Tower Lease, but only if Donor has obtained the landlord's consent pursuant to Section 4 hereof, without conditions adverse to Donor or Donee. Assignment of the Tower Lease is not a condition to either Donor's or Donee's obligation to close this Agreement.

17. Donee's Performance at Closing. At Closing at the Closing Place Donee shall:

(a) Deliver to Donor a receipt for the charitable contribution of the Assets in the amount of the Value.

18. Breach; Remedies. In the event of a material breach of this Agreement by the Donee prior to Closing, Donor shall give Donee written notice thereof and Donee shall have five business days to cure such breach; if such breach is not cured, Donor may take such action as it deems appropriate, including but not limited to termination of this Agreement.

19. Entire Agreement. This Agreement, together with the exhibits attached hereto, contains all of the terms agreed upon by the parties with respect to the subject matter hereof and supersedes all prior contracts and understandings among the parties and may not be changed or terminated orally. No attempt at changes, termination or waiver of any of the provisions hereof, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

20. Additional Documents, Etc. Subsequent to the Closing, each party to this Agreement shall at the request of any other furnish, execute and deliver such documents and instruments as the requesting party shall reasonably require as necessary or desirable to carry out the transaction contemplated hereunder.

21. Paragraph Headings. Paragraph headings herein have been inserted for reference only and shall not be deemed to limit or otherwise affect, in any manner, or be deemed to interpret in whole or in part, any of the terms or provisions of this Agreement.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

DONOR:

FIVESTAR MEDIA CORPORATION

By: 
Name: Tracy Alderson Fort
Title: President

DONEE:

**NEW MEXICO JUNIOR COLLEGE
FOUNDATION**

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

DONOR:

FIVESTAR MEDIA CORPORATION

By: _____

Name: Tracy Alderson Fort

Title: President

DONEE:

**NEW MEXICO JUNIOR COLLEGE
FOUNDATION**

By: Steve McCleery

Name: STEVE MCCLEERY

Title: NMJC PRESIDENT

Schedule A

FiveStar Operating Equipment

Revised 2.12.15

1	STL Antenna	\$	850
2	300 Ft 1/2 in. Coax	\$	525
3	Mart STL Transmitter	\$	4,200
4	SWR 12 Bay FM Antenna	\$	26,000
5	340 Ft Andrew 1 5/8 Coax W/Fittings	\$	4,709
6	Gabriel 4 Ft. Parabolic STL antenna	\$	990
7	200 Ft. Andrew 1/2" Coax	\$	350
8	Marti STL15C Receiver	\$	4,200
9	Invonics Audio Processor	\$	2,200
10	Continental 816A Transmitter with 802 exciter	\$	16,000
		\$	<u>60,024</u>