

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is entered into this _____ day of _____, 2001, by and between MK, Inc., a Colorado corporation ("Seller"), and Public Broadcasting of Colorado, Inc., a Colorado non-profit corporation ("Purchaser").

RECITALS

A. WHEREAS, Seller contemplates acquiring the assets used and useful in the operation of Radio Station KKPC, 1230 kHz, Pueblo, Colorado (the "Radio Station"), from Pueblo Community College (the "College"), the current holder thereof; and

B. WHEREAS, Seller has determined to dispose of the Radio Station as soon as possible subsequent to closing on that acquisition; and

C. WHEREAS, Seller desires to sell the Radio Station to Purchaser, and Purchaser desires to acquire the Radio Station; and

D. WHEREAS, Purchaser's willingness to acquire the Radio Station on the terms and conditions set forth in this Agreement will facilitate Seller's ability to close the acquisition from the College; and

E. WHEREAS, Seller and Purchaser desire to enter into a local management agreement coincident with execution of the Agreement; and

F. WHEREAS, consummation of the transactions contemplated herein requires the prior consent of the FCC;

NOW THEREFORE, in consideration of the foregoing and the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURCHASE AND SALE.

1.1 Purchase. Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase from Seller, free and clear of all liens, claims or encumbrances of any nature whatsoever, the Radio Station, which consists of the following (the "Purchased Assets"):

A. Business Assets. All of the assets, properties and rights, tangible and intangible, of every kind and description owned or held by Seller and used or useful in connection with the operation of the Radio Station (except as specifically excluded hereinafter) including, without limitation, the following:

(1) All fixtures, machinery, equipment and furniture, and all other tangible personal property of every kind and description owned by Seller and dedicated for use in the Radio Station (a listing, attached as Exhibit A, includes substantially all such assets, which list may be supplemented with mutual consent of the parties prior to the Closing);

(2) Those contracts, leases and other instruments or agreements of Seller, including underwriting agreements, pertaining to the Radio Station as listed on attached Exhibit B (hereinafter the "Contracts"), which Exhibit B shall be updated with the consent of the parties as of the Closing Date;

(3) All licenses, permits and other authorizations necessary or incidental to the ownership and operation of the Radio Station, plus all pending applications for any such licenses, permits or other authorizations, all as listed on attached Exhibit C (hereinafter the "Licenses");

(4) All files and records pertaining solely to the business of the Radio Station except accounting and tax records which will be made available for review and copying at reasonable times for a period of five (5) years from and after the Closing notwithstanding any other provision hereof;

(5) All of Seller's rights in and to the logos, trademarks, call sign(s), service marks, and any and all other intangible assets used or useful in the operation of the Radio Station including, but not limited to, those listed on Exhibit D; and

(6) All inventory and supplies of the Radio Station as of the Closing Date.

B. The following are specifically excluded from the Purchased Assets:

(1) Cash and cash equivalents;

(2) All books and records of Seller, except those pertaining solely to the business of the Radio Station;

(3) Accounts receivable; and

(4) All contracts or agreements except those listed in Exhibit B, or as otherwise agreed to in writing by Purchaser.

C. It is of the essence to the transactions contemplated by this Agreement that Seller, or an entity controlled by Seller, shall convey fee simple title to

certain real property occupied by the Radio Station to Purchaser coincident with the Closing under this Agreement, such conveyance to be effected pursuant to an agreement in form and substance identical to that attached hereto as Exhibit E.

1.2 Purchase Price. Purchaser will pay to Seller at the Closing under this Agreement total consideration of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00), plus or minus proration, credits, and adjustments for which provision is made in this Agreement (the "Purchase Price") as follows:

A. Within five (5) business days after the date first stated above, Purchaser shall deposit with McCoy Broadcast Brokerage, Inc., as escrow agent, the sum of Twenty-Seven Thousand Five Hundred Dollars (\$27,500) (the "Escrow Deposit"), which amount shall be held pursuant to the escrow agreement in form and substance identical to that attached hereto as Exhibit F. The Escrow Deposit (less interest which shall be for the account of Purchaser) shall be credited toward the Purchase Price at Closing unless this Agreement shall be terminated short of Closing, in which case the Escrow Deposit (plus accumulated interest) shall be disbursed: (i) to Purchaser, in the event termination is due to Seller's default, or FCC failure to grant the assignment application referenced in Section 2.2(B) within 9 months from the date first stated above through no fault of the Purchaser; or (ii) to Seller, in the event of Purchaser's default or failure of the FCC to grant the assignment application due to Purchaser's qualifications or lack thereof as assignee.

B. The balance of the Purchase Price, Two Hundred Forty-Seven Thousand Five Hundred Dollars (\$247,500.00) (the "Purchase Deposit"), shall be deposited by Purchaser in a certificate of deposit or money market account to be opened for this purpose in Purchaser's name with the Weld County Bank, Evans, Colorado, the principal sum of which shall be disbursed at Closing to Seller by check or wire transfer of immediately available funds (less interest accumulated thereon which shall be paid to Purchaser). In the event that this Agreement is terminated short of Closing, the Purchase Deposit and all interest accumulated or accrued shall be returned in full to Purchaser.

1.3 No Assumption of Liabilities. Except for the obligations set forth on attached Exhibit B, it is understood and agreed that the transactions covered by this Agreement constitute a purchase of certain assets only and the assignment of the Licenses; consequently, Purchaser assumes no other liabilities of Seller.

2. PRE-CLOSING AND CLOSING.

2.1 Definitions. The following definitions shall apply to this Agreement:

A. "Pre-Closing" means that period from the date of this Agreement to the Closing Date, as defined below, during which time the parties will exercise

commercially reasonable efforts to satisfy all requirements of this Agreement necessary prior to a transfer of the Purchased Assets.

B. "Closing" is that event in which the Purchased Assets are transferred by Seller to Purchaser and Purchaser pays to Seller the Purchase Price. The "Closing Date" is the date on which such event takes place.

2.2 Pre-Closing. During Pre-Closing:

A. Access to Information. Seller will make available to Purchaser and Purchaser's agents for its review all contracts, blueprints, leases, plans, specifications, books and records, surveys and any other information with respect to the Radio Station and the Purchased Assets which are in Seller's possession. Purchaser shall not unreasonably interfere with Seller's business operations while making such review and examination. Seller and Purchaser shall each keep confidential all information obtained by it with respect to the other in connection with this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining a copy thereof, any confidential schedules, documents or other written information obtained from the other in connection with this Agreement and the transactions contemplated hereby, except where such information is known or available through other lawful sources, or where such party is advised by counsel that its disclosure is required in accordance with the law.

B. Assignment of FCC Licenses. Subject to Seller's delivery of a fully executed and dated Assignor's portion of an assignment application, in proper form for filing with the FCC, within three (3) business days hereof Purchaser will file an application for FCC consent to the assignment of the FCC Licenses for the Radio Station from Seller to Purchaser (the "FCC Consent"). The parties will vigorously prosecute said application and do all things reasonable and/or appropriate to obtain a grant thereof. To that end, each party shall promptly comply with reasonable requests of the other party and with reasonable requests of any FCC legal counsel retained by the other party, in order to obtain the FCC Consent.

C. Inspections. Purchaser and Purchaser's agents, during regular business hours and upon reasonable notice, will have the right to inspect the Radio Station and the Purchased Assets and to undertake, at Purchaser's expense, such tests and investigations as Purchaser determines. All information obtained by Purchaser by its inspections, tests, or investigations under paragraphs 2.2.A, 2.2.C, or otherwise, shall be deemed confidential and shall not be disclosed to anyone other than Purchaser's employees or agents, or Seller. To the maximum extent possible, all such inspections, tests, and investigations shall be done in a manner and at such times as will least interfere with the operation of the Radio Station.

D. Insurance. Seller shall maintain fire and hazard insurance and public liability insurance in the forms and in amounts not less than that maintained by Seller for its other stations prior to the date of this Agreement.

E. Damage or Destruction. If all or any portion of the Radio Station is damaged by fire or other casualty, or is taken or made subject to condemnation, eminent domain, or other governmental acquisition proceedings (collectively "Damage"), then the following procedures will apply:

(1) Seller must notify Purchaser, in writing, of such Damage within twenty-four (24) hours of the date on which such Damage occurs.

(2) In the event of damage or casualty which has not been reasonably restored as of the Closing Date, Purchaser may at its option:

(a) Proceed with the Closing accepting the property in its then condition, and the Purchase Price will be reduced by an amount negotiated in good faith by the parties, or

(b) Proceed with the Closing and accept the property in its then condition together with an assignment of the insurance or condemnation proceeds relating to the Purchased Assets, or

(c) Extend the Closing Date for a reasonable period not to exceed 30 days, during which Seller shall use best efforts to restore the facilities to their pre-damaged condition. If the Closing is extended, the parties shall use best efforts to obtain any necessary FCC consent for such extension.

(d) terminate the Agreement in which case the Escrow Deposit plus interest shall be returned to Purchaser.

F. Conduct of Business Pending Closing. Pending Closing, Seller shall operate the Radio Station in a commercially reasonable manner, consistent with the operation of the Radio Station prior to the date hereof. Seller shall file, when due, all reports, applications and other material which may be required to keep the Licenses in full force and effect and unimpaired by any act or omission on its part, and to comply with the rules and regulations of the FCC.

2.3 Closing.

A. Date and Time. The Closing will take place not more than ten (10) days after the FCC consent becomes a Final Order, as hereafter defined. The Closing shall

take place during regular business hours at a place and time mutually acceptable to Purchaser and Seller.

B. Documents for Closing. At Closing, the parties agree to execute and deliver all appropriate documents and instruments which may be necessary or appropriate to consummate the transactions contemplated under this Agreement, including, but not limited to, those described below:

(1) Seller shall deliver to Purchaser:

(a) Such deeds, bills of sale, assignments, consents, releases, certificates, and other instruments of transfer, (including, but not limited to, a resolution of Seller's board of directors authorizing the execution, delivery, and performance of Seller's obligations under this and related instruments, including the consummation of the transactions contemplated hereby), in form and substance acceptable to Purchaser, as shall be effective to vest in Purchaser good and marketable title to the Purchased Assets free and clear of any liens, claims or encumbrances;

(b) An incumbency certificate and a certificate of good standing for Seller from the Secretary of State for the State of Colorado;

(c) All of the files and records, including the public inspection file and political file, required to be maintained by FCC rules and regulations; and

(d) Such other documents as may reasonably be required by Purchaser's counsel.

(2) Purchaser shall deliver to Seller:

(a) The Purchase Price as described in Section 1.2;

(b) A certified copy of the Resolutions of the Board of Directors of Purchaser authorizing the performance of this Agreement by Purchaser, certifying that such Resolutions were duly adopted and are in full force and effect;

(c) An incumbency certificate and a certificate of good standing for Purchaser from the Secretary of State for the State of Colorado; and

(d) Such other documents as may reasonably be required by any of Seller's counsel.

C. Possession. At Closing, Seller will deliver possession of the Radio Station to purchaser.

3. PRORATIONS, CREDITS, AND ADJUSTMENTS.

3.1 Proration Date and Time. Except as pertains to the period prior to the Closing during which Purchaser may program the Radio Station for Seller pursuant to a local management agreement in form and substance identical to that attached hereto as Exhibit G, all operating income and operating expenses of the Radio Station through 12:01 A.M. on the Closing Date will accrue to and be the obligation of Seller. All operating income and operating expenses of the Radio Station after the Closing will accrue to and be the obligation of Purchaser.

3.2 Property and Other Taxes. All *ad valorem* real and personal property taxes shall be prorated as of the Closing Date, excluding any taxes arising by reason of the transfer of the Assets as provided by this Agreement. Purchaser shall pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Purchaser as provided under this Agreement based upon an allocation of the Purchase Price among the assets to be determined by Seller and Purchaser; provided, however, that taxes and other expenses in connection with the transfer of the real property shall be paid according to local custom. Purchaser and Seller agree that the bulk sales provisions of the Colorado Uniform Commercial Code are inapplicable to the transactions contemplated by this Agreement.

3.3 Utilities. Seller and Purchaser shall jointly arrange for final meter readings to be taken for all metered utility services on the Closing Date or the day prior thereto with service to be continued thereafter in the name of the Purchaser. Purchaser shall pay all charges for utility services consumed after the Closing. Basic charges for telephone service shall be prorated as of 12:01 a.m. on the Closing Date with long distance tolls being allocated to the parties by whom made. Any deposits held by any utility and assigned to Purchaser shall be a credit to Seller on the Purchase Price.

3.4 Insurance. All of Seller's insurance on the Purchased Assets shall be cancelled as of Closing. There shall be no proration of insurance premiums.

3.5 Prepaid Expenses. Prepaid expenses applying to periods on and after the Closing Date shall be a credit to Seller.

3.6 Credits and Adjustments. All credits to Seller shall be an addition to the Purchase Price. All credits to Purchaser shall be a reduction in the Purchase Price. To the extent that any credits or adjustments cannot be precisely determined at Closing, any readjustment necessary shall be made between the parties when the precise amount is determinable, but not later than ninety (90) days following the Closing.

4. **REPRESENTATIONS AND WARRANTIES.**

4.1 Representations and Warranties of Seller. Seller represents and warrants to Purchaser as follows:

A. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Colorado, with full power and authority to enter into this Agreement and related instruments and to consummate the transactions contemplated by this Agreement. All corporate or other proceedings required to be taken by or on the part of Seller to authorize the execution, delivery and carrying out of this Agreement and to authorize Purchaser to purchase and take assignment of the Purchased Assets have been, or will be, prior to the Closing Date, duly and properly taken.

B. The execution, delivery and performance of this Agreement by Seller will not (i) constitute a violation of or conflict with Seller's articles of incorporation or by-laws, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under, or conflict with, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the Radio Station and to which Seller is subject, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Purchaser, (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on the Radio Station or Purchased Assets, or (iv) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

C. Seller will deliver good and marketable title to the Purchased Assets, free and clear of all security interests, liens, encumbrances, equities, exceptions, or adverse claims.

D. Seller has made no contract to sell all or any part of the Purchased Assets to any person other than Purchaser. Seller has not given to any person an option to purchase all or any part of the Purchased Assets which is enforceable or exercisable now or at any time in the future.

E. Exhibit B contains a complete and accurate copy of all contracts, commitments or agreements of any nature pertaining to the Radio Station the rights to which are to be transferred to Purchaser hereunder. All such contracts are enforceable in accordance with their terms without default by any party, or successor-in-interest thereto.

F. The Licenses listed in Exhibit C are all of the licenses, permits, or other authorizations necessary for the Radio Station to operate as it is presently operated. Seller is the authorized legal holder of the Licenses. The Licenses were validly issued and are in full force and effect unimpaired by any act or omission on the part of Seller.

G. The equipment used in connection with the operation of the Radio Station is maintained and, through the Closing Date, shall be maintained in accordance with generally accepted industry practices, and complies and, on the Closing Date, shall comply in all material respects to the best of Seller's knowledge after due inquiry with all rules, regulations, standards and policies of the FCC.

H. At the Closing Date the Radio Station will be operating in material accordance with the Rules and Regulations of the FCC, and in strict accordance with the terms of its FCC Licenses, and all material filings required by local, state, or federal government agencies will have been made in a timely manner, and all regulatory or other fees due will have been paid.

I. All of the guy wires and ground system of the Radio Station are fully encompassed within the boundaries of the real property on which the Radio Station is located.

J. All books and records of Seller furnished or to be furnished to Purchaser will be true and correct, and will accurately reflect the position and operations of the Radio Station.

K. To the best of its knowledge after due inquiry, Seller is not in violation of any Federal, state or local statute, law, ordinance, regulation, order or ruling materially affecting the Purchased Assets including, but not limited to, environmental, zoning, or land use statutes, regulations, orders, or rulings.

L. Seller is not a party to any collective bargaining agreement or other contract relating to employment, written or oral, with any trade or labor union or individual. It is expressly understood that Purchaser is not assuming any employment contracts.

M. All federal, state, and local taxes, which have become payable by Seller or the College, or which have been assessed against Seller or the College, or as to which, to the knowledge of Seller, a claim has been threatened against Seller or the College, the non-payment of which would adversely affect the Radio Station or the Purchased Assets, have been provided for or paid.

N. To Seller's knowledge after due inquiry, neither Seller nor the College is in material default under any lease or other contract or obligation affecting the Radio Station.

O. Seller is not engaged in or a party to, or, to its knowledge, threatened with any legal actions or other proceedings before any court, any arbitrator or any administrative agency, and there are no outstanding orders, rulings, decrees, judgments or stipulations to which Seller is a party or by which the same is bound by, of or with any

court, arbitrator or administrative agency, any of which proceedings, orders, rulings, decrees, judgments, or stipulations reasonably may be expected to materially adversely affect the Radio Station, the Licenses or the Purchased Assets.

P. There is no broker or finder or other person who has any valid claim against Purchaser for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Seller.

Q. No representation or warranty made by Seller in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Purchaser.

4.2. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller the following:

A. Purchaser is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Colorado, with full power and authority to enter into this Agreement and related instruments and to consummate the transactions contemplated by this Agreement. All corporate or other proceedings required to be taken by or on the part of Purchaser to authorize the execution, delivery and carrying out of this Agreement and to authorize Purchaser to purchase and take assignment of the Purchased Assets have been, or will be, prior to the Closing Date, duly and properly taken.

B. Purchaser knows of no reason why the FCC would not consent to an assignment of the licenses of Radio Station to it.

5. CONDITIONS.

5.1 Purchaser's Conditions. Purchaser's obligation to close under this Agreement is subject to fulfillment of the following conditions prior to and on the Closing Date, each of which may be waived by Purchaser in its sole discretion:

A. FCC Consent. Within nine (9) months after the application to the FCC to consent to transfer of the licenses is accepted for filing, a Final Order of the FCC shall have been entered granting the FCC Consent. For this purpose, a "Final Order" shall be an order of the FCC which is no longer subject to rehearing, reconsideration, or review by the FCC, or to appeal or review by any court under the Communications Act of 1934, as amended, or the rules or regulations of the FCC, or any similar statute, rules, or regulations now existing or hereinafter enacted. Purchaser may waive the requirement that FCC consent shall become a Final Order.

B. No Liens. Seller shall have paid or discharged all liens upon the Purchased Assets to the extent required by this Agreement, and shall have furnished proof of payment and release of liens satisfactory to Purchaser.

C. Conveyance. Seller shall have conveyed title to and/or delivered all of the Purchased Assets to Purchaser in accordance with Seller's representations, warranties, and covenants.

D. Real Property Transaction. Pueblo Community College Foundation and Spearman Properties, LLC shall have completed the sale and purchase of real property consisting of approximately six (6) acres, a building and a tower which comprise the transmitter site of the station, pursuant to an agreement for such sale and purchase by and between Pueblo Community College Foundation and Spearman Properties, LLC, and Spearman Properties, LLC shall have conveyed title to said real property to Purchaser pursuant to the terms of Exhibit E.

E. No Litigation. On the Closing Date, there shall be no actions, suits, investigations, or proceedings pending or, to Seller's knowledge, threatened against Seller or affecting any portion of the Radio Station, or the transactions contemplated by this Agreement, before any court or before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which will prevent the Closing or delivery of title to the Purchased Assets pursuant to the terms of the Agreement.

F. No Default. Seller shall not be in default of any provision in, term of, or obligation imposed by, this Agreement.

G. Seller's Acquisition. Seller shall have consummated purchase of the Radio Station from the College.

H. Due Diligence. Purchaser's inspections with respect to the condition, operation and prospects of the Radio Station and the Purchased Assets shall have revealed nothing materially inconsistent with Seller's representations, warranties or covenants hereunder.

I. Non-Commercial Operation. The FCC shall have authorized by Final Order operation of the Radio Station as a non-commercial, educational facility. Purchaser may waive the requirement that this FCC consent shall have become a Final Order.

J. Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of

such time, except for any changes permitted by the terms hereof or consented to in writing by Purchaser and except for any such representations and warranties as specifically relate to an earlier date.

K. Performance. Seller shall have, in all material respects, performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing Date.

5.2 Seller's Conditions. Seller's obligation to close under this Agreement is subject to fulfillment of the following conditions, prior to and on the Closing Date, each of which may be waived by Seller in its sole discretion:

A. FCC Consent. Within nine (9) months after the application to the FCC to consent to transfer of the licenses is accepted for filing, a Final Order of the FCC shall have been entered granting approval of the sale of the Radio Station contemplated hereby.

B. Payment. Purchaser shall have made payment of the Purchase Price as provided herein.

C. No Default. Purchaser shall not be in default of any provision in, term of, or obligation imposed by this Agreement.

D. Representations and Warranties. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time except for any changes permitted by the terms hereof or consented to in writing by the Seller and except for any such representations and warranties as specifically relate to an earlier date.

E. Performance. Buyer shall have in all material respects performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing Date.

6. DEFAULT.

6.1 Default by Seller. The following events shall be deemed to be events of default on the part of Seller under this Agreement: (a) Seller shall fail to (i) consummate purchase of the Purchased Assets from the College within five (5) business days from the date first stated above; or (ii) comply with any terms, provisions, conditions, or covenants of this Agreement of the Local Management Agreement ("LMA") attached hereto as Exhibit G, or of the Real Property Agreement attached hereto as Exhibit E; or (b) any of Seller's representations or warranties shall be untrue when made or as of the date of Closing.

6.2 Default by Purchaser. The following shall be deemed an event of default on the part of Purchaser under this Agreement: Purchaser shall fail to comply with any terms, provisions, conditions, or covenants of this Agreement or of the LMA.

6.3 Remedies Upon Default. Upon occurrence of any event of default by Seller, Purchaser may, at its option, and upon ten (10) days' written notice of such election addressed to Seller, either seek specific performance of this Agreement or terminate this Agreement and pursue all remedies available at law unless such default is cured within said ten (10) day period (except as to the event of default referenced in Section 6.1(a)(i) as to which there shall be no cure period). Upon occurrence of any event of default by Purchaser, Seller may, at its option, and upon ten (10) days' written notice to Purchaser, terminate this Agreement and pursue all remedies available at law, unless such default is cured within such ten (10) day period. Notwithstanding the foregoing, either party may terminate the Agreement, if said party is not then in default, in the event the FCC has not consented to the assignment application by Final Order within the nine (9) months specified above.

7. INDEMNIFICATION.

7.1 Brokerage. The parties acknowledge that McCoy Broadcast Brokerage, Inc., is the sole broker in this transaction. All fees and commissions due to McCoy Broadcast Brokerage, Inc., shall be paid by Seller.

7.2 Seller's Indemnification. Following the Closing Seller shall indemnify, defend and hold harmless Purchaser with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon, or incurred by Purchaser directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties, or failure by Seller to perform any of its covenants, conditions or undertakings set forth in this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to Seller obligations for operation of the Radio Station prior to the Closing. Notwithstanding anything else herein or in that certain Contract to Buy and Sell Real Estate (Commercial) of even date herewith, by and between Spearman Properties, LLC and Purchaser, Seller, in response to a Purchaser claim for indemnification, shall interpose no objection, defense, or argument based on or relating to the duration of its or Spearman Properties, LLC's ownership of the Purchased Assets, including, but not limited to, the real property.

7.3 Purchaser's Indemnification. Following the Closing Purchaser shall indemnify, defend and hold harmless Seller with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Purchaser of any of its representations or warranties, or failure by Purchaser to perform any of its covenants, conditions or undertakings set forth in this Agreement; and (ii)

any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to operation of the Radio Station subsequent to the Closing.

8. MISCELLANEOUS.

8.1 Time of the Essence. Time is of the essence of this Agreement. All dates and times shall be strictly adhered to unless waived in writing by the parties.

8.2 Fees. Each party shall bear its own legal and accounting fees related to this transaction.

8.3 Notices. All notices permitted or required shall be in writing and either by mail, telecopy, receipted courier service or personal delivery. If by mail, notice shall be deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, and addressed to the party to whom notice is directed. If by telecopy, notice shall be transmitted to the telecopy number of the party to whom notice is directed. If by receipted courier service or personal delivery, notice shall be delivered to the party to whom notice is directed. Notice shall be deemed effective on the date postmarked, if by mail, or on the date of delivery, if personally delivered, or sent by telecopy or receipted courier service. Unless and until given substitute delivery instructions, notices shall be directed as follows:

If to Seller:

MK, Inc.
1200 Rosewood Drive
Loveland, CO 80577

With a copy (which shall not constitute notice) to:

James A. Koerner, Esq.
Koerner & Olender, P.C.
5809 Nicholson Lane
Suite 124
North Bethesda, MD 20852

If to Purchaser:

Max Wycisk
President
Public Broadcasting of Colorado, Inc.
2249 South Josephine Street
Denver, Colorado 80210

With a copy (which shall not constitute notice) to:

William K. Keane
Arter & Hadden LLP
1801 K Street, N.W.
Suite 400K
Washington, D.C. 20006-1301

8.5 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the enforceability or validity of remaining provisions and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted unless the invalidity or unenforceability of such provision shall affect the basic economic terms of this Agreement or materially affect the rights or obligations of either party.

8.6 Waiver. No term, condition, covenant, or provision contained in this Agreement may be waived except in a writing signed by the waiving party. No oral statements, course of conduct or course of dealing shall be deemed a waiver. No waiver by any party hereto of any violation or breach of this Agreement shall be deemed or construed to constitute a waiver of any other violation or breach, or as a continuing waiver of any violation or breach.

8.7 Survival of Warranties. The representations, warranties, covenants, indemnities and agreements contained herein shall survive the Closing for a period of one (1) year from the Closing Date except as to third-party claims in which case survival shall extend for the applicable statute of limitations. Any investigation by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, covenant, indemnity or agreement contained herein.

8.8 Applicable Law. This Agreement shall be interpreted, construed and governed according to the laws of the State of Colorado. Venue shall be in the courts of that State sitting in Denver.

8.9 Exercise of Discretion. Whenever this Agreement calls for either party to approve of an act, event or condition, or to be satisfied with any document or set of circumstances, the discretion allowed in determining such satisfaction or granting such approval shall be exercised in a reasonable manner.

8.10 Captions. The captions or headings to the various paragraphs contained in this Agreement are for convenience only and shall to no extent affect the meaning, scope or interpretation thereof.

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

8.12 Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties as well as their respective heirs, devisees, executors, administrators, personal representatives, successors and assigns. Seller may not assign its interest under this Agreement without the prior written consent of Purchaser.

8.13 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and any prior discussion, negotiations and agreements between the parties are superseded and replaced by this Agreement. No amendment or modification of this Agreement shall be enforceable except if in writing and signed by the party against whom enforcement is sought.

8.14 Words and Gender or Number. Unless the context clearly indicates the contrary, the singular number, as used herein, shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders.

8.15 Exhibits. This Agreement refers to, and by reference incorporates as a part of this Agreement, the following exhibits:

<u>Exhibits</u>	<u>Description</u>
A	Equipment/Personal Property List
B	List of Contracts, Leases and Other Agreements
C	List of Licenses
D	Intangibles
E	Real Property Agreement
F	Escrow Agreement
G	Local Management Agreement

8.16 Attorneys' Fees. In the event of commencement of suit by either Party to enforce the provisions of, and/or recover damages for breach of, this Agreement, the prevailing Party shall be entitled to receive attorneys' fees and costs as a court may adjudge reasonable in addition to any other relief granted. Attorneys' fees incurred in enforcing any judgment arising out of this Agreement are also recoverable by the prevailing Party.

8.17 Facsimile. Signatures to this Agreement may be evidenced by facsimile. Original signatures shall be provided upon request of any party.

8.18 Public Statements. Prior to the Closing Date, neither Seller nor Buyer shall without the prior approval of the other party, make any press release or other public announcement concerning the transactions contemplated by this Agreement except (i) Seller and Buyer may issue a mutually agreeable public announcement or press release at a point subsequent to the signing of this Agreement; and (ii) to the extent that either party shall be so obligated by law, in which case the other party shall be so advised and the parties shall use their best efforts to cause a mutually

agreeable release or announcement to be issued. Nothing in this Section 8.18 shall be construed as qualifying a party's obligations to make such filings as may be required by a governmental agency.

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

SELLER:

PURCHASER:

MK, INC.

**PUBLIC BROADCASTING OF
COLORADO, INC.**

By: _____
 Its _____

By: _____
 Its _____