

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT, dated as of February 22, 2017 (this "Agreement"), is by and between FM IDAHO CO, LLC, an Idaho limited liability company doing business as Impact Radio Group ("FMI"), and RADIO RANCHO, LLC, an Montana limited liability company ("Radio Rancho").

WITNESSETH:

WHEREAS, FMI is licensee of the following stations (the "FMI Stations"):

KNFL(AM), Boise, Idaho, Facility ID 28252
K294DC, Boise, ID, Facility ID 148693 (currently unbuilt)
K224EP, Boise, Idaho, Facility ID 156878;

WHEREAS, Radio Rancho is the licensee of K256CZ, Facility ID 86932 ("Radio Rancho Translator");

WHEREAS, K224EP has been authorized by the FCC to modify its facilities in BPFT-20161011AAY (the "K224EP Permit");

WHEREAS, K294DC has been granted a modification of its original construction permit in BMPFT-20160729AOM (the "K294DC Permit");

WHEREAS, Radio Rancho is qualified to acquire the FMI Stations and FMI is qualified to acquire the Radio Rancho Translator; and

WHEREAS, on the terms and conditions described herein and subject to the approval of the Federal Communications Commission ("FCC"), FMI desires to acquire the Radio Rancho Translator and Radio Rancho desires to acquire the FMI Stations.

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

1. Assignment of Assets.

(a) FMI STATIONS.

On the Closing Date (as hereinafter defined), FMI shall sell, assign and transfer to Radio Rancho free and clear of all liens and encumbrances, and Radio Rancho shall purchase, assume and receive from FMI:

(i) all of the licenses, construction permits and other authorizations issued by the FCC with regard to the FMI Stations (collectively, the "FMI Station Authorizations") as identified on Schedule 1;



(ii) the tangible personal property of KNFL located at the AM Tower Site (no studio or STL equipment included) and the K224EP equipment as identified on Schedule 2 (collectively, the "FMI Stations Equipment");

(iii) the KNFL month to month tower site lease with Black Angus Farms, LLC and the and the K224EP Table Rock tower site lease with White Cloud Communications described in Schedule 3 (the "FMI Tower Leases");

(iv) the FMI Stations' intangibles, including going concern value and call letters (the "FMI Stations Intangibles"); and

(v) the FMI Stations' FCC-required records, including the KNFL local public inspection file (the "FMI Stations Records"); and

Radio Rancho shall not assume any liability, obligation, or agreement of FMI of any kind, absolute or contingent, known or unknown, including, without limitation, any tower lease or arrangement other than as stated in this Section 1(a), and FMI is not selling or otherwise conveying or assigning to Radio Rancho any leaseholds or other assets other than as stated in this Section 1(a) including but not limited to any accounts receivable, studio equipment, studio lease, or STL equipment or any assets, leases, contacts or equipment associated with any other FMI's stations not included in this transaction.

(b) **RADIO RANCHO TRANSLATOR.**

On the Closing Date RADIO RANCHO shall sell, assign and transfer to FMI free and clear of all liens and encumbrances, and FMI shall purchase, assume and receive from RADIO RANCHO:

(i) All of the licenses, construction permits and other authorizations, issued by the FCC regarding the Radio Rancho Translator (collectively, the "Radio Rancho Authorizations") as identified in Schedule 4 hereto.

(ii) All tangible personal property associated with the operation of the Radio Rancho Translator (collectively, the "Radio Rancho Equipment") as identified in Schedule 5 hereto.

(iii) All intangibles associated with the Radio Rancho Translator, including its going concern value (the "Radio Rancho Intangibles"); and

(iv) All logs and records pertaining to the Radio Rancho Translator (the "Radio Rancho Records").

FMI is not agreeing to, and shall not assume any liability, obligation, or agreement of Radio Rancho of any kind, absolute or contingent, known or unknown other than as provided in this Agreement, and Radio Rancho is not selling or otherwise conveying or assigning to FMI any assets, leaseholds or other assets other than as stated in this Section 1(a) including but not limited to any accounts receivable, studio equipment, studio lease, or STL equipment or any assets,

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leases, contacts or equipment associated with any other FMI's stations not included in this transaction.

2. **Consideration.** Upon the terms and subject to the conditions contained in this Agreement, FMI shall transfer the FMI Stations to Radio Rancho and Radio Rancho shall transfer the Radio Rancho Translator to FMI. Other than the exchange of the assets described in Section 1 of this Agreement, at Closing, Radio Rancho shall pay to FMI by wire transfer of immediately available US Funds pursuant to wire instructions provided by FMI prior to Closing, the sum of Thirty-Five Thousand Dollars (\$35,000.00). Subject to the LMA (as discussed and defined below), the parties agree to prorate all expenses arising out of the operation of the FMI Stations and the Radio Rancho translator and which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing Date.

3. **FCC Consent; Assignment Applications.** At the earliest mutually agreeable date, Radio Rancho and FMI shall file and vigorously prosecute applications with the FCC (each an "Assignment Application," together the "Assignment Applications") requesting the FCC's consent (the "FCC Consents") to the assignments (i) from FMI to Radio Rancho of the FMI Station Authorizations; and (ii) from Radio Rancho to FMI of the Radio Rancho Authorizations.

4. **Closing.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur simultaneously on a mutually agreeable date (the "Closing Date") which shall be no later than ten (10) days following the date on which all FCC Consents shall have been granted by the FCC. In the event a petition to deny or informal objection is filed against either of the Assignment Applications, the Closing Date shall be postponed until ten (10) days after both the FCC Consents have become Final orders of the FCC. For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated. The Closing shall be held by an exchange of documents via facsimile or email followed by next-day delivery of signed originals, or in such other manner as mutually agreed upon by the parties.

5. **Representations and Warranties of FMI.** FMI hereby makes the following representations and warranties to Radio Rancho which shall be true as of the date hereof and on the Closing Date:

(a) FMI is limited liability company duly organized, validly existing and in good standing under the laws of the State of Idaho. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by FMI. The execution, delivery and performance of this Agreement by FMI will not require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.



(b) Schedule 1 hereto contains a true and complete list of the FMI Station Authorizations. FMI is the authorized holder of the FMI Station Authorizations. Except as disclosed in this Section 6(b), the Translator Authorizations are validly issued and are in full force and effect, unimpaired by any act or omission of FMI. K294DC Permit is currently unbuilt and expires 04/07/2017. In light of the modification of the construction permit pursuant to the terms of the FCC's First Report And Order, Further Notice Of Proposed Rule Making, And Notice Of Inquiry, MB Docket No. 13-249, October 23, 2015, ("*Revitalization of the AM Radio Service*"), K294DC "must rebroadcast the proposed AM primary station for a period of four years of on-air operation, exclusive of silent periods, commencing with the initiation of on-air service at the new location." *Id.* At para 13, page 7. Hence, once built and operating, the translator may only rebroadcast the signal of KNFL for a period of four years. The parties understand and agree that FMI shall, during the pendency of the Assignment Applications and prior to April 1, 2017, construct the facilities authorized in the K294DC Permit and K224EP Permit provided that, at Closing, Radio Rancho shall reimburse FMI for the documented expenses it incurs in the construction thereof.

(c) Schedule 2 hereto contains a list of all material FMI Stations Equipment included in this transaction. FMI has, and will have on the Closing Date, good and marketable title to all such equipment. The FMI Stations Equipment is in good condition and repair, ordinary wear and tear excepted.



(d) Schedule 3 hereto contains an accurate description of the FMI Tower Leases included in this transaction. FMI has valid leasehold interests in the FMI Tower Leases. All rent and other obligations under the FMI Tower Leases will have been fully paid or met as of the Closing Date. FMI, to the extent required under the FMI Tower Leases, will obtain the written consent of the landlords to assignment of such leases to Radio Rancho.

(c) As of the Closing Date there will be no liens or encumbrances outstanding against FMI affecting any of FMI Stations. Any current liens or encumbrances have been fully disclosed to Radio Rancho.

7. **Representations and Warranties of Radio Rancho.** Radio Rancho hereby makes the following representations and warranties to FMI which shall be true as of the date hereof and on the Closing Date:

(a) Radio Rancho is a limited liability company, duly organized, validly existing and in good standing under the laws of the state of Montana. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Radio Rancho. The execution, delivery and performance of this Agreement by Radio Rancho will not require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consents.

(b) Schedule 4 hereto contains a true and complete list of the Radio Rancho Authorizations. Radio Rancho is the authorized legal holder of the Radio Rancho Authorizations. The Radio Rancho Authorizations are validly issued and are in full force and effect.

(c) Schedule 5 hereto contains a list of all material Radio Rancho Equipment owned.

(d) Schedule 6 hereto contains an accurate description of the Radio Rancho Tower Lease included in this transaction.

(e) As of the Closing Date there will be no liens or encumbrances outstanding against Radio Rancho affecting the Radio Rancho Translator. Any current liens or encumbrances have been fully disclosed to FMI.

8. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Radio Rancho hereunder is subject to the satisfaction or waiver of each of the following express conditions precedent:

(i) FMI shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by FMI prior to or as of the Closing Date;

(ii) The representations and warranties of FMI set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) There shall not be any liens on FMI affecting the FMI Stations;

(iv) The FCC Consents shall have been granted, or, if a petition to deny or informal objection is lodged against any of the Assignment Applications, the FCC Consents shall have become Final orders;

(b) The performance of FMI's obligations hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Radio Rancho shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by Radio Rancho prior to or as of the Closing Date;

(ii) The representations and warranties of Radio Rancho set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) There shall not be any liens on Radio Rancho affecting the Radio Rancho Translator;

(v) The FCC Consents shall have been granted, or, if a petition to deny or informal objection is lodged against any of the Assignment Applications, the FCC Consents shall have become Final orders; and



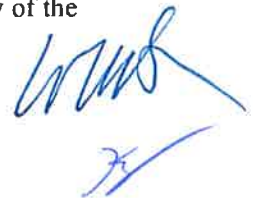
9. **Closing Deliveries.**

- (a) At the Closing, FMI will execute and deliver to Radio Rancho the following:
- (i) Assignments of the FMI Station Authorizations;
 - (ii) A Bill of Sale and Assignment covering the FMI Stations Equipment, Intangibles and Records
 - (iii) One or more Assignment and Assumption Agreements providing for FMI's assignment of the FMI Tower Leases to Radio Rancho, and for FMI's assumption of the Radio Rancho Tower Lease (the "Assignment Agreement"); and
 - (iv) Landlord consents to the assignments of the FMI Tower Leases (as required).
- (b) At the Closing, Radio Rancho will execute and deliver to FMI the following:
- (i) An Assignment of the Radio Rancho Translator Authorizations;
 - (ii) A Bill of Sale covering the Radio Rancho Equipment, Intangibles and Records;
 - (iii) Radio Rancho's counterparts to the Assignment Agreements;
 - (v) Landlord consent to assignment of the Radio Rancho Tower Lease (as required).

10. **Survival of Representations and Warranties.** The several representations and warranties of FMI and Radio Rancho contained in or made pursuant to this Agreement shall expire six (6) months after the Closing Date.

11. **Local Marketing Agreement.** FMI and Radio Rancho are concurrently entering into a mutually agreeable local marketing agreement for the Station KNFL (the "LMA") providing for Radio Rancho to provide programming to KNFL to be effective during the period from the date of this Agreement until the Closing. In the event that the transactions contemplated by this Agreement are not consummated, the LMA shall cease effective on the termination of this Agreement unless the parties mutually agree otherwise. The parties understand and agree that a copy of the LMA will be submitted with the Assignment Applications.

12. **Termination.** This Agreement may be terminated by either Radio Rancho or FMI, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the



following: (i) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (ii) if any of the Assignment Applications is dismissed or denied by Final order; or (iii) if the Closing has not occurred within one (1) year of the date the Assignment Applications are filed with the FCC.

13. **Remedies.** FMI and Radio Rancho acknowledge the properties that are the subject of this Agreement are unique and cannot be easily assigned a monetary value. Accordingly, the parties agree that if one of them breaches any covenant, representation or warranty contained in this Agreement such that Closing does not or cannot occur as provided in this Agreement, the non-breaching party may elect to seek specific performance of this Agreement. The non-prevailing party in any such action shall be responsible for payment of the reasonable costs and attorneys' fees of the prevailing party.

14. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be addressed as follows (or at such other address for a party as shall be specified by like notice):

If to FMI, to:

FM Idaho Co., LLC
5660 Franklin Road
Suite 200
Nampa, ID 83687
Attn: Darrell Calton, General Manager

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

Kathleen Victory, Esquire
Fletcher, Heald & Hildreth, PLC
1300 North 17th Street, 11th Floor
Arlington, Virginia 22209

If to Radio Rancho, to:

Radio Rancho, LLC
100 W. Lyndale Ave., Suite B
Helena, Montana 59601
Attn: Kevin Terry, Manager

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

David G. O'Neil, Esq.
Rini O'Neil, PC
1200 New Hampshire Ave., NW Suite 600
Washington, D.C. 20036



15. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho, without giving effect to the choice of law principles thereof.

16. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. Signatures delivered in PDF are acceptable.

17. **Risk of Loss.** Subject to the LMA, the risk of any loss, taking, condemnation, damage or destruction of or to any of the Radio Rancho Equipment prior to the Closing Date shall be upon Radio Rancho, and the risk of any loss, taking, condemnation, damage or destruction of or to any of the FMI Stations Equipment prior to the Closing Date shall be upon FMI.

18. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except as otherwise provided in this Agreement, no party may assign its interest or delegate its duties under this Agreement without the prior written consent of the other parties, which consents shall not be unreasonably withheld or delayed.

19. **Entire Agreement.** This Agreement and the Schedules attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

[Signature page follows]

A handwritten signature in blue ink, appearing to be 'WMS', with a large, stylized flourish underneath.

Signature Page to Asset Exchange Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Asset Exchange Agreement as of the day and year first above written.

FM IDAHO CO, LLC

By: 
Wendell M. Starke, Manager

RADIO RANCHO, LLC

By: 
Kevin Terry, Manager/Member