

STOCK SALE AGREEMENT

This Stock Sale Agreement ("Agreement") is made and entered into this 1st day of November, 2016, between **the Estate of Bette Bailly**. ("Seller") and **Burlington Radio LLC** ("Buyer").

WHEREAS, Seller is the owner of all of the issued and outstanding shares of Common Voting Stock of **KNAB, Inc.** ("Company"); and

WHEREAS, Company is the Licensee of Radio Stations KNAB (AM) and KNAB-FM, at Burlington, Colorado otherwise referred to as the "Stations" or "KNAB AM & FM"; and

WHEREAS, Buyer desires to purchase from Seller and Seller desires to sell to [number of shares] of the issued shares of Common Voting Stock ("Shares") of the Company, representing one hundred percent (100%) of all of the issued and outstanding Shares; and

NOW, THEREFORE, in consideration of the mutual covenants, agreements and representations contained in this Agreement, all of the parties, intending to be legally bound, agree as follows:

ARTICLE 1

Definitions

1. **DEFINITIONS:** Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

(a) Closing Date or Closing means a date to be designated by Buyer which shall not be later than the forty-fifth (45th) business day after the FCC provides Notice or Notices that it has approved and granted the transfer of control of the Company from Seller to Buyer, providing such approval has become final, as defined immediately below. In the event of any post-grant protest of the Transfer of Control Application, either Seller or Buyer shall have the option to extend the Closing Date to a date not later than the tenth (10th) business day after the Commission's consent and approval of the Transfer of Control

Application has become a Final Order, as defined below. Notwithstanding the foregoing, Buyer shall have the option to Close prior to finality, but shall unwind the Closing if subsequently ordered to do so by the FCC.

(b) Final Order ("Finality") means an Order of the FCC granting its consent and approval to the transfer of control of the Company from Seller to Buyer, which is no longer subject to rehearing, reconsideration or review by the FCC, or to a request for stay, an appeal or review by any court under the Communications Act of 1934, or the Rules and Regulations of the FCC.

ARTICLE 2

Purchase and Sale of the Shares

2.1. Purchase and Sale. The number of Shares of the Company which are currently issued and outstanding are set forth below.

<u>Shareholder</u>	<u>No. Shares Issued</u>
Estate of Bette Bailly	700

Subject to the terms and conditions of this Agreement, and upon the execution of this Agreement and the prior approval of the Federal Communications Commission ("FCC").

2.2. Consideration for the Shares. The total consideration to be paid by Buyer to Seller pursuant to this Agreement is \$425,000, reduced by the total amount of LMA payments already made by Buyer to Seller pursuant to that certain "Time Brokerage Agreement" dated October 24, 2016. Said consideration, as calculated in **Attachment No. 1** hereto, shall be paid in full at Closing, in the form of cash, certified check or wire transfer.

2.3. Closing of Each Stock Sale and Purchase. At the Closing of each of the stock transactions contemplated by this Agreement, the Seller shall deliver, or cause to be delivered, the following to Buyer:

(a) Stock certificates representing the Shares duly endorsed in blank or stock powers duly executed in blank, in proper form for transfer; and

(b) the other documents required to be executed and delivered pursuant to Article 6.

ARTICLE 3

Governmental Consents & Conduct Prior to Closing

3.1. FCC Consent. It is specifically understood and agreed that the consummation of the stock purchase contemplated by this Agreement shall be subject to the prior consent of the FCC. The parties further agree that within ten (10) business days from the date this Agreement the requisite FCC application shall be submitted by the parties.

3.2. Conduct Prior to Closing: Between the date of this Agreement and the Closing Date, Buyer shall not control the operation of the Company or Radio Stations, but such operation shall be the responsibility of Seller. Notwithstanding the foregoing, Seller and Buyer hereby acknowledge that on October 24, 2016 they entered into that certain Time Brokerage Agreement, whereby Buyer has been presenting programming on KNAB AM & FM, and shall continue to do so until the Closing Date. Both parties further acknowledge that, pursuant to the terms of the Time Brokerage Agreement, Seller remains in control of the overall operations of KNAB AM & FM. Both parties further acknowledge and agree that by executing this Agreement and submitting the requisite FCC application, each party acknowledges that the other party is currently in material compliance with the Time Brokerage Agreement and that neither party is currently in material default of said Time Brokerage Agreement. Buyer shall, however, be entitled to reasonable inspection of the premises and assets, and to notice of any unusual operating problems or developments with the purpose that an uninterrupted and efficient transfer of ownership may be accomplished. It is further understood and agreed that, effective on the Closing Date and thereafter, Seller shall have no control over, nor right to intervene or participate in, the operation of KNAB AM & FM.

3.3. Legal Notice: Upon the filing of the transfer of control application with the

FCC, Seller shall take the necessary steps to provide such Legal Notice concerning the filing as is required by the FCC Rules.

3.4. Section 73.1150 Statement: Both the Seller and Buyer agree that the Seller has retained no rights of reversion in either the FCC License and associated broadcast assets for KNAB AM & FM, or the management and ownership of the Company, no right to the reassignment of the KNAB AM & FM FCC licenses or the management and control of the Company in the future, and has not reserved the right to use the facilities of the Station in the future for any reason whatsoever.

3.5. Maintenance of Confidences: Until after the Closing, Buyer and Seller agree to keep confidential all information it receives or has received during the course of the negotiations in connection with the transaction contemplated herein, or relating to the business operations of the other party, provided that either party may disclose such information to its professional advisors, agents and any financial institution which it may be dealing with in connection with the proposed financing of the transactions contemplated herein, or as required by law. Notwithstanding the foregoing, either party may disclose the purchase price to the FCC or other parties, as may be required by law. In the event that the transaction contemplated hereby is not consummated for any reason, both parties shall promptly return to the other all financial documents, business materials and related documents acquired from the other party with respect to the transactions contemplated herein, including the Company and the associated assets and intangibles, and provide to each other the names and addresses of any and all persons, firms or other entities who have viewed or received information with respect to the proposed transfer of control of the Company or the rule making proceeding (together with a meaningful description of the materials viewed or received by each of them).

ARTICLE 4

Representations and Warranties

4.1. Representations and Warranties of Seller. The Seller represents and warrants to the Buyer:

(a) Organization and Standing. The Company is a corporation organized, existing and in good standing under the laws of the State of Colorado, is qualified to do business in the State of Colorado, and has all requisite power and authority (corporate and otherwise) to own, lease and operate its properties and assets and to carry on its business as it is currently conducted.

(b) Absence of Conflicting Agreements or Required Consents. The execution, delivery and performance of this Agreement by Seller: (1) does not require the consent of any third party; (2) will not violate any provisions of the Company's Articles of Incorporation or By-Laws; (3) will not violate any applicable law of any governmental authority to which the Company is a party or by which it or its assets are bound; (4) will not conflict with the terms, conditions or provisions of any agreement to which the Company is now subject; and (5) will not result in the creation of any new encumbrance on any of the Company's assets.

(c) Capitalization. The total authorized capital stock of the Company consists of 10,000 Common Voting shares, 700 which are issued, outstanding and fully paid and non-assessable.

(e) Title to Shares. Seller is, or will be as of the Closing Date, the full and lawful owner of 100% of the issued and outstanding Shares, free and clear of all liens, pledges, encumbrances, agreements or claims on the part of any person or entity, and Seller has good and marketable title to the Shares. The transfer of the Shares being sold to Buyer shall vest Buyer with good and marketable title to the Shares, free and clear of all liens, pledges, encumbrances, agreements or claims on the part of any person or entity.

(f) Compliance with Permits, Laws, Regulations and Orders. The

Company is in substantial compliance with all material terms of its FCC License and has paid all FCC regulatory fees to date.

(g) Assets. The Company has, or will have as of the Closing Date, good and marketable title to the assets being transferred to Buyer under the terms of this Agreement, and such assets shall be free and clear of all liens, pledges, encumbrances, agreements or claims.

(h) Adverse Proceedings. To Sellers' knowledge, there are no adverse proceedings pending or threatened against the Company or any of its Shareholders, especially any that would negatively impact the continued operations of KNAB AM & FM.

(i) Directors and Officers. At the Closing Date, the present directors and officers of the Company shall tender their written resignations and deliver the same to Buyer concurrently with the delivery of the certificates representing the Company's remaining shares being transferred from Seller to Buyer.

(j) Environmental Matters. Seller has no knowledge of any hazardous or toxic materials (as hereinafter defined) existing in any structure located on, or exist on or under the surface of, any of the real property or equipment to be conveyed to or leased by Buyer as a result of the transaction proposed herein. For purposes of this Agreement, "hazardous or toxic material" shall mean waste, substances, materials, smoke, gas, pollutants, contaminants, asbestos or asbestos related products, PCB's, petroleum, crude oil (or any fraction or distillate thereof) or particular matter designated as hazardous, toxic or dangerous, or requiring special handling, treatment or storage whether or not designated hazardous, toxic or dangerous under any environmental laws. For purposes of this Agreement "environmental law" shall be interpreted to mean the Comprehensive Environmental Response Compensation and Liability Act, any successor to such law, and/or any other applicable federal, state, or local environmental, health or safety law, rule or regulation concerning the treating, producing, handling, storing, releasing, spilling, leaking, pumping, pouring, emitting, or dumping of any waste, substance, materials, smoke, gas or particulate matter or imposing liability or standards in

connection therewith.

ARTICLE 5

Closing Conditions, Closing Documents (Buyer)

5.1. Conditions.

(a) All of the material terms, covenants and conditions to be complied with and performed by Buyer will have been complied with or performed in all material respects.

(b) No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party which would make it unlawful to effect the transactions contemplated by this Agreement in accordance with their terms.

ARTICLE 6

Closing Conditions, Closing Documents (Seller)

6.1. Conditions.

(a) All of the material terms, covenants and conditions to be complied with and performed by Seller or the Company will have been complied with or performed in all material respects.

(b) No suit, action, claim or governmental proceeding shall be pending seeking to restrain this Agreement or consummation of the transactions contemplated by it, or which would have a material adverse effect on the future operation of the Station. No order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party which would render it unlawful to effect the transactions contemplated by this Agreement in accordance with their terms.

(c) The Time Brokerage Agreement is current and not in material default.

6.2. Documents

(a) At Closing, Seller shall deliver to Buyer the Stock certificates or Stock powers to effect the transfers provided for by this Agreement, and in exchange, Buyer shall deliver to Seller the monetary consideration required to close this transaction.

(b) At Closing, Seller shall deliver to Buyer a Certificate of Good Standing issued by the State of Colorado with respect to the Company, as well as Opinion Letters from Seller's Colorado Tax and Business Counsel, and Seller's Certified Public Accountant regarding the Company's good tax standing, lack of any local, state or federal tax or tax-related debts or liens, and an opinion that, to their knowledge, all of the Company's assets are clear of all liens, pledges, encumbrances or claims of any kind whatsoever. Each Opinion Letter should briefly describe the due diligence efforts undertaken to arrive at such opinion.

(d) Seller shall execute and deliver to Buyer such other instruments and documents as Buyer may reasonably request in connection with the consummation of the contemplated transactions.

ARTICLE 7

Indemnification

7.1. Seller's And Buyer's Indemnities.

(a) The Seller and Buyer shall each indemnify, defend and hold harmless the other, from all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including interest, penalties, court costs and reasonable attorneys' fees and expenses, asserted against, imposed upon or incurred by either party, directly or indirectly, with respect to (a) any material misrepresentation or breach of warranty or covenant by the other party and, (b) any failure by either party to perform any of its obligations under this Agreement or the Time Brokerage and Purchase Option Agreement. Furthermore, Seller will not indemnify Buyer for claims or liabilities arising from or related to the programming operation of KNAB AM & FM under the Time Brokerage Agreement, or any extension thereof whereby Buyer continues to operate the

station prior to Closing.

(b) Except as required under the Time Brokerage Agreement, it is understood and agreed that the Buyer does not assume and shall not be obligated to pay any liabilities of Seller under the terms of this Agreement or otherwise and shall not be obligated to perform any obligations which arise subsequent to the Closing Date or as herein provided. Seller hereby agrees to indemnify (except as provided in Section 7.1 (a) hereinabove) and hold Buyer, its successors and assigns, harmless from and against the following:

(i) Any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or related to Seller's operation of the Company and KNAB AM & FM prior to the close of business on the Closing Date, including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed prior to the close of business on the Closing Date under any contract or instrument assumed by Buyer hereunder.

(ii) Any and all damages or deficiency resulting from any misrepresentations, breach of warranty or covenant, or nonfulfillment of any agreement or obligation on the part of Seller under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to the Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(iii) Any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses, including reasonable attorneys' fees incident to any of the foregoing provisions.

(c) If any claim or liability shall be asserted against the Buyer or Seller which would give rise to a claim by the Buyer against the Seller for indemnification under the provisions of this Paragraph, the Buyer shall promptly notify the Seller in writing of the same and the Seller shall, at its own expense, defend any such action.

(d) Buyer hereby agrees to indemnify and hold Seller, its successors and assigns, harmless from and against the following:

(i) Any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or related to Buyer's operation of KNAB AM & FM prior to the close of business on the Closing Date, including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed prior to the close of business on the Closing Date under any contract or instrument assumed by Buyer hereunder.

(ii) Any and all damages or deficiency resulting from any misrepresentations, breach of warranty or covenant, or nonfulfillment of any agreement or obligation on the part of Buyer under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to the Seller pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(iii) Any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses, including reasonable attorneys' fees incident to any matter described in subsection (i) above.

(iv) Any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or related to Buyer's operation of KNAB AM & FM subsequent to the close of business on the Closing Date.

ARTICLE 8

Other Provisions

8.1. Survival of Representations, Warranties and Covenants. The representations, warranties, covenants, indemnities and agreements contained in this Agreement are and will be deemed and construed to be continuing representations, warranties, covenants, indemnities and

agreements, and will survive for a period of one (1) year from the date of this Agreement.

8.2. Assignment. This Agreement will be binding upon and inure to the benefit of the parties and their successors. No party may assign any of its rights or obligations under this Agreement without the consent of the other, which will not be unreasonably withheld.

8.3. Specific Performance. The parties agree that either party's failure to perform hereunder may result in irreparable injury to the other and thereby agree that in addition to any other remedy available at law or in equity, in the event of a default by one party, the other party may also seek to specifically enforce performance of this Agreement.

8.4. Notices. All notices and other communications shall be in writing and shall be deemed to have been duly given if delivered or mailed by certified mail, postage prepaid, as follows:

If to Seller
or the Company: Dan Slinger
 KNAB, Inc.
 P.O. Box 516
 Burlington, CO 80807

With a copy to: _____

If to Buyer: Alec Creighton
 Burlington Radio LLC
 PO Box 917
 Fort Morgan, CO 80701

With a copy to: _____

8.5. Entire Agreement. This Agreement and any attached schedules and exhibits set forth the entire agreement and understanding between the parties with respect to the subject matter and supersede any prior negotiations, agreement, understandings or arrangements between the parties with respect to the subject matter.

8.6. Amendments. The provisions of this Agreement may be amended, terminated or waived only by an instrument in writing executed by all of the parties or by the party granting a waiver.

8.7. No Waiver. To the extent permitted by law, the failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right to enforce that provision or any other provision of this Agreement at any time thereafter.

8.8. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect its meaning or interpretation.

8.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.10. Compliance with the Communications Act and FCC Rules. The parties agree that the provisions of this Agreement are subject to all applicable requirements under the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC promulgated thereunder ("FCC Rules"). The parties agree that all actions undertaken pursuant to this Agreement or otherwise on behalf of the Company, shall be in full compliance with the requirements of the Communications Act and the FCC Rules, and the parties shall take no action with respect to the Company which would be in violation thereof, nor, consistent with the above, will any of the parties take any action or fail to take such action, as the case may be, that could jeopardize the FCC authorizations and licenses held by the Company. Each party

agrees to execute on behalf of himself and the Company, and to cooperate in the filing and prosecution of, all applications and other documents which in the opinion of counsel are necessary to obtain FCC or other governmental approval of any transactions contemplated by this Agreement or any actions otherwise properly taken on behalf of Company.

8.11. Reformation of Agreement. If any provision of this Agreement is deemed contrary to FCC rules or policies or is otherwise ruled unenforceable, the parties mutually agree to reform this Agreement to modify or delete such provision, exercising their best good faith efforts to insure that such modification, while removing the legal infirmity, conforms as closely as possible to the parties' original intention.

8.12. Broker Fees. The Seller, Company and Buyer agree that no broker was involved in this transaction.

8.13. Consent to Jurisdiction: Seller and Buyer agree that in the event any dispute arises concerning the terms or performance of this agreement such matters shall be resolved in the appropriate State of Colorado court, and that this Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

8.14 Termination: Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated at the option of either party upon written notice to the other party if a Final Order consenting to the transfer of control of the Company has not been obtained within twelve (12) months after the date on which the application is filed with the FCC, provided however, that neither party may terminate this Agreement if that party is in default hereunder, or if a delay in any decision or determination by the FCC respecting the application has been caused or materially contributed to (i) by any failure of the terminating party to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by the terminating party of incorrect, inaccurate, or incomplete information to the FCC, or (iii) by any other action taken by the terminating party for the purpose of delaying the FCC's decision or determination respecting the application. Notwithstanding anything herein to the contrary, in the event this Agreement is terminated, the Time Brokerage Agreement (or any extension thereof) shall likewise

terminate.

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

Estate of Bette Bailly ("Seller")

By: 
Dan Slinger, Personal Representative

Burlington Radio LLC ("Buyer")

By: 
Alec Creighton, Managing Member

ACKNOWLEDGED:

KNAB, INC.

By: 
Dan Slinger
General Manager

Attachment No. 1

**(Schedule of LMA payments to be
credited from Purchase Price.)**