

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement, made and entered into this 1st day of November, 2012 by and between ARLIE & COMPANY, an Oregon corporation (hereinafter referred to as "Seller"), and EUGENE COMEDY RADIO, an Delaware limited liability company (hereinafter referred to as "Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of radio broadcast Station KLZS-AM, Eugene, Oregon [FCC Facility ID 40889] (hereinafter referred to as "Station"); and

WHEREAS, Buyer desires to acquire and Seller desires to sell to Buyer certain of the personal property owned by Seller and used in the operation of the Station and to secure an assignment of certain of the Station's contracts, leases and agreements, and the licenses and other authorizations issued by the Federal Communications Commission (previously and hereafter referred to as "FCC") for the operation of the Station (hereinafter referred to as "FCC License");

WHEREAS, Buyer and Seller acknowledge that the Station is currently rebroadcasting Station KKNX, Eugene, Oregon [FCC Facility ID 5390] pursuant to a local marketing agreement, and Seller shall terminate said local marketing agreement on or prior to the execution of a local marketing agreement or the closing of this Agreement, as defined herein;

WHEREAS, Buyer will lease Seller's tower from Seller in a lease to be executed at closing;

WHEREAS, the FCC License may not be assigned to the Buyer without the prior written consent of the FCC;

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

1. **DEFINITIONS**

Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

a. "Assignment Application" refers to the application which Seller and Buyer will join in and file with the FCC requesting its unconditional written consent to the assignment of the FCC License from Seller to Buyer;

b. "Final Order" means action by the FCC granting its consent and approval to the Assignment Application, which action is not reversed, stayed, enjoined or set aside, and with respect to which no timely request for stay, reconsideration, review, rehearing or a notice of appeal is pending, and as to which the time for filing any such request, petition or notice of appeal or for review by the FCC units on its motion has expired;

c. "Closing" means the consummation on the Closing Date of the transactions contemplated hereby;

d. "Closing Date" means 10:00 a.m. on a date mutually set by the Seller and the Buyer within ten (10) days following the date that of the FCC's consent granting the Assignment Application.

e. "Closing Place" means such place as the parties may mutually agree to in writing.

2. **ASSETS TO BE CONVEYED**

a. Subject to the terms and conditions contained in this Agreement, on the Closing Date at the Closing Place, Seller will sell, assign, convey, transfer and deliver to Buyer, free and clear of any lien or encumbrance, excepting only those expressly identified herein as agreed to by the Parties ("Permitted Encumbrances") and by instruments of conveyance in form satisfactory to Buyer, and Buyer shall purchase and accept the assignment of the following (collectively "The Purchased Assets"):

i. The transmitter and related equipment necessary to operate the transmitter listed at **Exhibit A**;

- ii. All licenses, permits or authorizations issued by any government or regulatory agency other than the FCC Licenses which are used in connection with the operation of the Station ("Permits") and listed on **Exhibit B**;
- iii. All right, title and interest of Seller in and to the use of the call letters KLZS-AM for the Station, to the extent they can be conveyed ("Call Letters"), and all other intangible assets, going concern value and like items of the Station (the "Intangible Assets"). The parties expressly acknowledge that all rights and interests in the corporate name of Seller and related companies is retained and reserved to Seller.
- iv. All other personal assets, if any, whether tangible or intangible, not herein before mentioned, which are owned by Seller which are used or useable in connection with the day-to-day operation of the Station, but which *do not* include any real property or improvements to real property, specifically including the tower, studio, and studio furniture.
- v. Seller agrees that the Station's Assets conveyed to Buyer on the Closing Date pursuant to this Agreement will be conveyed free and clear of all liens, charges, claims and encumbrances whatsoever, other than Permitted Encumbrances;
 - b. Seller shall assign, convey, transfer and deliver to Buyer all license, permits, authorizations ("FCC Licenses") issued by the FCC for the operation of or used in connection with the operation of the Station, all of which are also listed on **Exhibit B**.
 - c. The assets being sold to Buyer hereunder do not include cash, security investments, prepaid deposits, notes receivable, or books and records pertaining to the corporate organization of Seller.

3. **EXCLUDED LIABILITIES AND CONTRACTS**

Except as otherwise provided herein, Seller shall be solely responsible, and there shall be no assumption by Buyer of any liabilities of Seller or Station.

4. **PURCHASE PRICE AND METHOD OF PAYMENT**

a. **Purchase Price.** The total purchase price to be paid to Seller or its assigns by Buyer hereunder shall be Two Hundred Twenty-Five Thousand Dollars (\$225,000.00), plus or minus prorations set forth in herein.

b. **Method of Payment.** The Purchase Price shall be paid by Buyer to Seller as follows:

- i. Upon executing this Agreement, Buyer shall deliver to Seller \$14,000.00 in readily available funds.
- ii. At Closing, Buyer shall deliver to Seller a promissory note (the "Note") in the amount of Two Hundred Eleven Thousand Dollars (\$211,000.00), substantially in the form attached hereto, and payable as follows:
 - (1) The term of the note shall be thirty-six months.
 - (2) The interest rate on the principal balance shall be zero percent (0%) per annum for the first three months, five percent (5%) per annum for months four through six, eight percent (8%) per annum for months seven through twelve, twelve percent (12%) per annum for months thirteen through twenty-four, and thirteen percent (13%) per annum for months twenty-five through thirty-six.
 - (3) The monthly payment amount shall be zero dollars per month for the first three months, Nine Hundred Thirty Seven and 50/100 Dollars (\$937.50) per month in months four through six, One Thousand Five Hundred Dollars (\$1,500.00) in months seven through twelve, Two Thousand Two Hundred Fifty Dollars (\$2,250.00) in months thirteen

through twenty-four, and Two Thousand Four Hundred Thirty Seven and 50/100 Dollars (\$2,437.50) in months twenty-five through thirty-six. On the three year anniversary date of the Note, the Buyer shall deliver to Seller a balloon payment in the amount of the remaining principal balance.

- iii. The Note shall be secured by a Security Agreement as set forth in Exhibit D, and a Pledge Agreement of all ownership interests by the shareholders, members, or partners in Buyer as set forth in Exhibit E.

5. **ADJUSTMENTS AND ASSUMPTIONS**

The operations of the Station and the income and expenses attributable thereto up to 12:01 a.m. on the day of the Closing (the "Adjustment Time") shall, except as hereinafter provided in this Agreement, be for the account of Seller and thereafter shall be for the account of Buyer. Expenses such as power and utility charges, lease rents, property taxes, annual license fees (if any), certain prepaid and deferred items shall be prorated between the Seller and the Buyer.

6. **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Buyer that:

- a. **Lawful Existence and Powers.** Seller is a corporation incorporated and existing in good standing under the laws of the State of Oregon with full power and authority to enter into this Agreement and to enter into and complete the transactions contemplated herein; all required company action has been taken by Seller to make and carry out this Agreement; the execution of this Agreement and the completion of the transactions herein involved will not result in the violation of any order, licenses, permit, rule, lien, judgment or decree to which Seller is subject or the breach of any contract, agreement or other commitment to which Seller is a party or by which it is bound; and no

other consent of any kind is required that has not been obtained for Seller to make or carry out the terms of this Agreement.

b. **Licenses.** Seller is the holder of the licenses, permits and authorizations listed on **Exhibit B**, all of which are valid, and in full force and effect. Seller's operation of the Station is consistent with the terms and conditions of its FCC authorization. No pending filings or adverse reports are outstanding. All ownership reports, renewal applications, financial reports and other reports and documents required to be filed by Seller have been properly and timely filed, and Seller will not, without Buyer's prior written consent, by an act or omission, surrender, modify, forfeit or fail to seek renewal on regular terms, of any license or authorization of the FCC, or cause the FCC to institute any proceeding for the cancellation or modification of any such license or authorization, or fail to prosecute with due diligence any pending application or application to be filed with the FCC pursuant to this Agreement.

c. **Assets.** The Assets to be transferred to Buyer at Closing are listed on **Exhibits A, B, and C**. Seller hereby warrants and represents that, until Closing, none of the Licenses or Assets will be sold, leased or otherwise disposed of unless replaced by a similar Asset of equal or greater value, and, at Closing, all of the Assets shall be owned by and transferred by Seller to Buyer free and clear of all liens, encumbrances, interests or restrictions of any kind whatsoever, except as permitted herein; and all the Assets shall be at Closing in good operating condition.

d. **Intangible Assets.** The intangible assets to be transferred or assigned to Buyer under this Agreement will, on the Closing Date, be in full force and effect and on the Closing Date there will be no Leases or Agreements relating to the Station (not including this Agreement) which will be binding on the Buyer, other than the lease agreement to be entered into by and between Buyer and Seller at closing, or as otherwise approved in writing by Buyer. Seller has no existing contracts or commitments, oral or written, relating to the Station, including, but not by way of limitation, any collective bargaining or employment contracts.

e. **Litigation.** Seller warrants that no strike, labor dispute, investigation, litigation, court or administrative proceeding is pending or threatened against Seller relating to the Station or any of the Assets to be conveyed hereunder which may result in any change in the business, operations, assets or financial condition of Seller or may affect Buyer's enjoyment of the Assets, or which would hinder or prevent the consummation of the transaction contemplated by this Agreement, and Seller knows of no basis for any such possible action.

f. **Compliance With Licenses, Laws, Regulations and Orders.** Seller has complied with and is in compliance with all terms and conditions of all leases, permits, laws, regulations and orders applicable to the Station and the business and operations including, without limitation, compliance with the Station's FCC Licenses, the Communications Act of 1934, as amended, and all regulations issued by the FCC, and Seller is not charged with violating, nor received any notice threatening a charge of violation of, any provisions of any license or permit or any federal, state or local law or administrative ruling or regulation relating to any aspect of its business. Seller hereby warrants and represents that there presently are no pending or threatened actions, lawsuits or other proceedings, administrative, judicial, or otherwise, at the instance of any private party or any governmental or regulatory authority, which could impair in any manner the authority granted under such licenses or permits, or otherwise diminishes the value of same, or otherwise prevent the transfer of such licenses or permits to Buyer.

g. **Insurance.** Until Closing, Seller shall keep the Assets insured against loss or damage by fire or from other causes as has been customarily provided by Seller.

h. **Access to Information.** Seller shall give Buyer and its representatives full access during normal business hours throughout the period prior to Closing to the operations, properties, books, accounting records, contracts, agreements, leases, commitments, programming, technical and sales records, possible engineering changes or upgrades, and other records of and pertaining to the Station; provided, however, that Buyer gives Seller reasonable advance notice of exercising this right. Seller shall furnish to Buyer material information concerning the Station's affairs as Buyer may reasonably

request and all such information provided shall be treated as confidential information. Buyer will maintain the confidentiality of all the information and materials delivered to it or made available for its inspection by Seller hereunder, except where such information or materials are required to be filed with the FCC in connection with the assignment application or are disclosed to partners of Buyer or lenders thereto as reasonably required to secure financing to consummate the transaction contemplated herein. In the latter event, Buyer will use reasonable efforts to cause its principals or lenders to maintain confidentiality. If for any reason the transaction contemplated herein is not consummated, Buyer will return to Seller all such materials in its possession and keep all of the foregoing information confidential.

i. **Conduct of the Station's Business.** Until Closing, without the written consent of Buyer, Seller shall not enter into any transaction, other than those in the ordinary course of the business of the Station, and shall consult with Buyer prior to entering into any transaction in the ordinary course of the business of the Station in excess of Two Thousand U.S. Dollars (\$2,000.00); no employment contract shall be entered into by Seller relating to the Station unless the same is terminable at will and without penalty; unless obligated by a current employment agreement, Seller shall not, without the prior written consent of Buyer, increase the compensation paid or to become payable to any employee of the Station, or incur any additional employment obligation or commitment with respect to such employees, or pay any bonuses or cash payments; Seller will cause the Station to be operated in compliance with the FCC Licenses, all permits and all applicable laws and regulations; Seller shall make timely payments of all payments due on any obligations of Seller relating to the operation of the Station; Seller shall use its best efforts to preserve such business and properties intact, maintain sales and promotions at their present levels, preserve for the Buyer the goodwill of the Station's suppliers, customers and others having business relations therewith.

Seller further represents, warrants and covenants:

i. Between the date hereof and Closing:

- (1) Seller will not, without the written consent of Buyer, sell, lease, transfer, exchange, assign, grant a mortgage, grant a security interest in or otherwise dispose of or encumber any of its property or assets being sold hereunder; and
 - (2) Except as permitted herein Seller will not create, assume or permit to exist any mortgages, pledges, liens or other encumbrances or charges of any kind upon any of its property or assets being sold hereunder, which will survive Closing hereunder; and
 - (3) Seller shall not take any action which will prevent or impede Buyer from obtaining at the Closing the actual and immediate occupancy and possession of the Station and all of the assets purchased hereunder, including its books and records.
- ii. On the Closing Date, Seller will be the owner of the radio broadcast equipment and other assets purchased hereunder except such of the same replaced by suitable property of no less than equivalent value in the ordinary course of business, with good and marketable title thereto, free and clear of all liens and encumbrances, that between the date of this Agreement and the Closing, there will be no more than the ordinary normal wear and tear and expendability of those assets; that on the Closing Date Seller shall deliver the Station to Buyer with all broadcasting equipment as listed in Exhibit A in good operating condition. The Station shall be operating at full, authorized power and coverage as permitted by the FCC on the Closing Date and during any due diligence period as requested by the Buyer with at least 24 hour advance notice.
- iii. That Seller does not know of any facts relating to it or the Station which would cause the FCC to deny its consent to the assignment of the Station's authorization to Buyer;

iv. Seller will have paid and discharged all operational expenses, taxes, assessments, excises, and levies which have not been paid, but have become due and payable and that would interfere with Seller's assets, facilities, license or other items conveyed hereunder.

j. **Financial Information.** The balance sheets and operating statements for the Station and other financial information relating to the Station that Seller has provided or will provide to Buyer are true and correct in all material respects and prepared in accordance with generally accepted accounting principles.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES**

The Buyer represents and warrants as follows, which representations and warranties shall be deemed to have been made again at Closing.

a. **Company Existence and Powers.** Buyer is a limited liability company existing in good standing under the laws of the State of Delaware with full power and authority to enter into this Agreement and enter into and complete the transactions contemplated herein; all required company action has been taken or will be taken by Buyer to make and carry out this Agreement; the execution of the Agreement and, once the consent referred to in the next clause of this sentence is obtained, the completion of the transactions herein involved will not result in the violation of any order, license, permit, rule, judgment or decree to which Buyer is subject or the breach of any contract, agreement or other commitment to which Buyer is a party or by which it is bound; and except for the consent of the FCC, no other consent of any kind is required that has not been obtained for Buyer to make or carry out the terms of this Agreement.

b. **Buyer's Qualifications.** The Buyer is and at Closing will be, legally and financially qualified to become the licensee of the FCC.

c. **Litigation.** No judgment is issued or outstanding against Buyer, nor is any litigation, action, suit, judgment, proceeding or investigation pending or outstanding before any forum, court or governmental body, department or agency of any kind, or to the knowledge of Buyer, threatened, to which Buyer is a party, which has the stated

purpose or the probable effect of enjoining or preventing the consummation of this Agreement or the transactions contemplated hereby or to recover damages by reason thereof, which questions the validity of any action taken or to be taken pursuant to or in connection with this Agreement, or which would prevent Buyer from being qualified to be the assignee of Station's FCC License, or which would prevent Buyer from consummating the transactions contemplated hereunder. In the event of the commencement of any such proceeding against Buyer, Buyer shall use its reasonable and best efforts to seek removal or dismissal thereof within thirty (30) days, after which Seller may terminate this Agreement without any further obligation or liability to Buyer.

d. **Insolvency.** No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer or any of its assets or properties is now or on the Closing Date will be pending or, to the knowledge of Buyer, threatened. In the event of the commencement of any such proceedings against Buyer, Buyer shall use its reasonable and best efforts to seek removal or dismissal thereof within ninety (90) days. Buyer shall immediately notify Seller in no more than five (5) days from the time Buyer learns of the threat of any such insolvency proceeding.

8. **BREACH OF AGREEMENTS, REPRESENTATIONS AND WARRANTIES**

a. **Breach of Seller's Agreements, Representations and Warranties.** Seller shall indemnify and hold harmless Buyer from and against any loss, liability, claim, demand, judgment or expense, including without being limited to, reasonable counsel fees and reasonable accounting fees, arising out of or sustained by Buyer by reason of any breach of any warranty, representation, or agreement of Seller contained herein; provided, however, that such indemnification shall be required only if Buyer provides timely written notice to Seller within five (5) days of receipt of any claim for any loss, liability, demand, judgment or expense. Upon receipt of such written notice, Seller shall have the right, if it involves a liability to a third party, to defend or compromise such matter at Seller's sole cost and expenses, and Buyer shall cooperate fully in such defense.

b. **Breach of Buyer's Agreements, Representations and Warranties.**

Buyer shall indemnify and hold harmless Seller from and against any loss, damage, liability, claim, demand, judgment or expense, including without being limited to, reasonable counsel fees and reasonable accounting fees, arising out of or sustained by Seller by reason of any breach of any warranty, representation or agreement of Buyer contained herein; provided, however, that such indemnification shall be required only if Seller provides timely written notice to Buyer within five (5) days of receipt of any claim for loss, liability, demand, judgment or expense. Upon receipt of such written notice, Buyer shall have the right, if it involves a liability to a third party, to defend or compromise such matter at Buyer's sole cost and expense, and Seller shall cooperate fully in such defense.

c. **Specific Performance.** The parties acknowledge that the Assets and property to be transferred and assigned under this Agreement are unique and not readily bought and sold on the open market and, for that reason, among others, Buyer would be irreparably harmed by any breach or failure of the Seller to consummate this Agreement, and damages therefor will be highly difficult, if not wholly impossible, to ascertain. It is therefore agreed that this Agreement shall be enforceable in a court of equity by a decree of specific performance, and an injunction may be issued restraining any transfer or assignment of the Assets contrary to the provision of this Agreement pending the determination of such controversy.

9. **RISK OF LOSS**

a. **Buyer's Options.** The risk of any loss, damage or destruction to any of the Assets to be transferred to the Buyer hereunder from fire or other casualty or loss shall be borne by the Seller at all times prior to the Closing. Upon the occurrence of any material loss or damage to any of the assets to be transferred hereunder as a result of fire, casualty or other causes prior to the Closing, Seller shall notify the Buyer of same in writing immediately, stating with particularity the reasonable estimates of the loss or damage incurred, the cause of damage, if known, and the extent to which restoration, replacement and repair of the Assets lost or destroyed is believed reimbursable under any insurance

policy with respect thereto. Seller shall be responsible for any repair or replacement of such damaged assets. If Seller has not repaired, restored or replaced the damaged Assets by the Closing, Buyer shall have the option (but not the obligation) exercisable at the Closing to:

- i. Terminate this Agreement;
- ii. Postpone the Closing until such time as the property has been completely repaired, replaced or restored; or
- iii. Elect to consummate the Closing and accept the property in its "then" condition, in which event Seller shall assign to Buyer all rights under any insurance claim covering the loss and pay over to the Buyer the proceeds under any such insurance policy heretofore received by Seller with respect thereto. Buyer may also deduct from the Closing proceeds an amount that would equal any shortfall from actual damage repair costs less insurance reimbursement.

b. **Insurance.** After the Closing Date, Buyer shall be responsible for maintaining adequate insurance on the Assets purchased.

10. **APPLICATION FOR FCC APPROVAL**

a. **Filing and Prosecution of Application.** Buyer and Seller shall, as soon as practicable after the date of this Agreement and in any event not later than five (5) days thereafter, join in an application to be filed with the FCC requesting its written consent to the assignment of the FCC Licenses of the Station from Seller to Buyer. Buyer and Seller shall take all steps necessary to the expeditious prosecution of such application to a favorable conclusion, using their best efforts throughout.

b. **Designation for Hearing.** If, for any reason, the application for assignment of the License is designated for hearing by the FCC prior to grant hereof, either party shall have the right by written notice within thirty (30) days of such designation for hearing, to terminate this Agreement, providing such party or such party's conduct is not the basis for such designation. Should Closing occur and upon

reconsideration the FCC designate the assignment for hearing, either party may elect to rescind this Agreement, providing such party or such party's conduct is not the basis for such designation, and if either party so elects, Buyer and Seller agree to cooperate in filing an application to reassign the License to Seller, if necessary, and to take all necessary actions to reverse this transaction as if Closing had not occurred.

c.. **Time for FCC Consent** If the FCC has not given its written grant of consent to the assignment of the License set forth herein within six (6) months from the date of acceptance for filing of the application for such assignment, either party, if not then in default, may terminate this Agreement by giving written notice to the other. Upon such termination, neither party shall have any right or liability hereunder. Termination by Buyer or Seller pursuant to this provision shall not constitute a default by either party and the Escrow Amount shall be returned to Buyer.

d. **Control of Station.** Until Closing, Buyer shall not directly or indirectly, control, supervise, direct or attempt to control, supervise or direct the operation of the Station, but such operation shall be the sole responsibility of Seller.

e. **Access to Studio Equipment.** Without operating the Station, Buyer shall have reasonable access to the studio equipment prior to Closing for the purpose of constructing a new studio or studios. If the parties fail to consummate this Agreement through no fault of the Seller, Buyer shall immediately return to Seller all personal property identified in **Exhibit A.**

11. **CLOSING**

Subject to the terms and conditions herein stated, the parties agree as follows:

a. **Closing Date.** The Closing of this Agreement shall be held at such time, date and place as shall be mutually agreed by Buyer and Seller, it being understood that the parties seek to close the transaction by December 1, 2012, or as soon as possible thereafter. The parties agree that the Closing on the proposed transaction shall occur within five (5) days following issuance of the written consent of the FCC approving the assignment of the FCC Licenses, it being expressly understood the Closing will not be

conditioned on the FCC's action becoming a Final Order, unless the proposed assignment is first subject to a timely filed petition to deny or other formal protest during the pendency of the application before the FCC and prior to grant or if it becomes evident that the relocation of the Station's present studios cannot be accomplished as contemplated below. In the event the application is granted after a formal challenge, Buyer shall have the right to assess and determine whether the Closing should be delayed subject to the FCC's consent becoming a Final Order. For purposes of this paragraph, "Final Order" is an order of the Commission which is no longer subject to appeal within the agency or through the federal courts, and no longer subject to rescission by the FCC on its own motion.

b. **Seller's Obligations at Closing.** At Closing, Seller shall deliver to Buyer the following:

- i. An assignment of the License and a Bill of Sale, or similar instruments, assigning the License and transferring to Buyer all other Assets to be transferred hereunder, free and clear of all liens, encumbrances and restrictions of any kind whatsoever.
- ii. The business records and public file of the Station.
- iii. Such other documents and instruments as might reasonably be requested by Buyer to consummate the transaction contemplated hereunder consistent with the intent expressed herein.

c. **Buyer's Obligations at Closing.** At Closing, Buyer shall deliver to Seller the following:

- i. Escrow instructions for the release of the deposit payment of fourteen thousand dollars;
- ii. A Promissory Note;
- iii. A Security Agreement;
- iv. A Pledge Agreement executed by all members of Buyer;
- v. A certificate of Buyer, confirming the correctness of Buyer's representations made herein;

- vi. Such other documentation that Seller may reasonably required to consummate the transactions contemplated by this Agreement.

d. **Conditions to Obligations of Buyer.** The obligations of Buyer to consummate the transaction herein contemplated at Closing are subject to and conditioned on:

- i. Having made and entered into a satisfactory lease agreement with Seller for the tower site for the station.
- ii. The written consent of the FCC to the assignment to Buyer or its assigns of the License of the Station;
- iii. The satisfaction at or before Closing of all agreements, obligations and conditions of Seller hereunder required to be performed or complied with by them on or before Closing;
- iv. The material of the representations and warranties made by Seller; and

e. **Conditions to Obligations of Seller.** The obligations of Seller to consummate the transaction herein contemplated at Closing are subject to and conditioned on:

- i. The written consent of the FCC to the assignment to Buyer of the License of the Station;
- ii. The satisfaction at or before Closing of all agreements, obligations and conditions of Buyer hereunder required to be performed or complied with by it at or before the Closing;
- iii. The material accuracy of the representations and warranties made by Buyer;
- iv. The delivery of the Closing payment to Seller;
- v. The delivery of all closing documents set forth herein.

12. **EXPENSES**

All expenses incurred in connection with this transaction shall be borne by the party incurring same. The FCC filing fee shall be divided equally between the parties. All other transfer fees, sales taxes, and federal state or local taxes, and any other fees and taxes incident to the sale contemplated herein shall be borne by Seller.

13. **CONFIDENTIALITY**

The parties agree that all information furnished by either party to the other shall be held in strict confidence and shall not be disclosed to any third party, except those agents, representatives, attorneys and lenders who require such information in order to conduct negotiations leading to this Agreement and to meet the requirements of this Agreement.

14. **MISCELLANEOUS PROVISIONS**

a. **Execution of Documents.** The parties agree to execute all applications, documents and instruments which may be necessary for the consummation of the transaction contemplated hereunder, or which might be from time to time reasonably requested by any party hereto in connection therewith, whether before or after the date of Closing.

Notices. All notices, requests, elections, demands and other communications given pursuant to this Agreement shall be in writing and shall be duly given when delivered personally or when deposited in the mails, certified or registered mail, postage prepared, return receipt requested, or delivered by overnight delivery, signature requested, and shall be addressed as follows:

Seller: ARLIE & COMPANY
 Suzanne Arlie
 2911 Tennyson Avenue, Suite 400
 Eugene, OR 97408
 Phone: (541) 344-5500

Copy to: J. Dominic Monahan, Esquire
 Luvaas Cobb
 777 High Street, Suite 300
 Eugene, OR 97401-2787

(541) 484-9292

Buyer : Eugene Comedy Radio
Max Williams
1352 High Street #3
Eugene, OR 97401

b. **Exhibits and Schedules.** All Exhibits and Schedules referred to herein are incorporated into this Agreement by reference for all purposes and shall be deemed part of this Agreement.

c. **Entire Agreement.** This Agreement, together with all Exhibits and Schedules referred to herein and therein contain all of the terms and conditions agreed upon by the parties hereto with respect to the transaction hereunder. The provisions of this Agreement shall supercede any and all prior written or verbal understandings and agreements.

d. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the representatives, heirs, estates, successors and assigns of the parties hereto.

e. **Headings.** The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

f. **Counterparts.** This Agreement and any other instrument to be signed by the parties hereto may be executed by the parties, together or separately, in two or more identical counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

g. **Governing Law.** This Agreement shall be governed in accordance with the laws of the State of Oregon.

h. **Broker Commission.** There is no broker commission involved in this transaction.

[signature page follows]

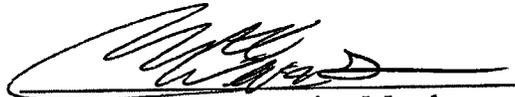
[signature page]

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

SELLER
ARLIE & COMPANY, INC.


Teresa Bishow, Vice President

BUYER
EUGENE COMEDY RADIO, LLC


Max Williams, Managing Member

Equipment list for sale of KLZS

Qty	Description	serial #
	Bel - Air Modulation	
1	Monitor	181968
	Nautel solid state AM	
1	Transmitter	
	RCA backup transmitter	
	tube type. (not sure of	
1	status)	
	sine systems remote	
1	control phone interface	
	Orban 9200 Audio	
1	Processor	q11209-034A

Exhibit B

License:	Location:	Facility ID
Radio Station KLZS-AM	Eugene, OR	40889

Exhibit C

Note

Principal: \$211,000.00
Date: _____, 2012
Location: Eugene, Oregon

PROMISSORY NOTE

FOR VALUE RECEIVED, EUGENE COMEDY RADIO ("Maker"), an Oregon limited liability company, hereby promises to pay to the order of ARLIE & COMPANY ("Payee" or "Holder"), an Oregon corporation, or its assigns, the principal sum of Two Hundred Eleven Thousand Dollars (\$211,000.00) along with interest on the unpaid balance as provided herein over the term of thirty-six (36) months according to the following terms:

1. Monthly payments shall be paid by the first day of each month.
2. Monthly payments shall commence on _____ with the last payment to be delivered to Payee on the three-year anniversary of the date of this note for a total of thirty-six (36) monthly payments of principal and interest as follows:

Months	Interest	Monthly Payment
1 through 3	0% per annum	\$0.00
4 through 6	5% per annum	\$937.50
7 through 12	8% per annum	\$1,500.00
13 through 24	12% per annum	\$2,250.00
25 through 35	13% per annum	\$2,437.50
36	13% per annum	All principal, interest, and penalties due and owing

3. Payments shall be delivered to Arlie & Company or its assigns at:

Arlie & Company
2911 Tennyson Ave., Suite 400

Eugene, OR 97408

or to an address specifically designated by Holder at a later date.

4. This Note is secured by a security agreement (the "Security Agreement") and by a Pledge Agreement (the "Pledge") by the members of the Maker.

5. If the Maker fails to comply with the terms of or commits a default under the Security Agreement or the Pledge securing this Note, and any such default shall continue for a period of ten (10) days after receipt of notice to be mailed by Maker by certified or registered mail, return receipt requested, postage prepaid of the same, the entire unpaid principal of this Note plus accrued interest may be declared due and payable by the holder of this Note. Notwithstanding the above, if the Maker defaults on two (2) consecutive payments of principal and interest or defaults on a total of three (3) payments of principal and interest over the term of this Note, then on the occasion of the second consecutive or third non-consecutive default, the entire unpaid principal of this Note, plus accrued interest shall immediately become due and payable to the Holder and no notice, other than notice of default, shall be necessary on the part of the Holder to render the entire amount due. For purposes of this section a default in the payment by the Maker which is cured in ten (10) days of receipt of notice shall nonetheless be deemed a default and upon a second or third default, as the case may be, the entire principal and interest shall become due notwithstanding another subsequent cure by the Maker.

6. The Maker of this Note may prepay any or all of the remaining balance without penalty.

7. In addition to all other remedies provided herein, if at any time Maker shall have failed to deliver to Payee a full monthly payment within ten (10) days of the due date, Maker shall owe Holder as a consequence of such non-payment a late fee of three percent (3%) of said monthly payment.

8. If this Note is placed in the hands of an attorney for collection, the Maker agrees to pay the Holder's reasonable collection costs, including reasonable attorney fees, even though no legal proceeding is filed hereon; however if a legal proceeding is filed for purposes of interpreting or enforcing this Note, the Holder shall be entitled to recover a reasonable attorneys' fee in such proceeding, or any appeal thereof, to be set by the court without necessity of hearing testimony or receiving evidence, in addition to the cost of disbursements allowed by law.

9. In addition, the Holder shall be entitled to recover reasonable attorney fees and legal expenses for the anticipated future costs of collection or enforcement of any judgment order or decree rendered in any legal proceeding commenced in connection with this agreement.

10. Maker hereby waives presentment, demand and protest.

DATED as of the date first written above.

MAKER
Eugene Comedy Radio, LLC

Max G. Williams, Managing Member

Exhibit D
Security Agreement

SECURITY AGREEMENT

This is a Security Agreement executed on the ___ day of _____, 2012 by and between ARLIE & COMPANY ("Secured Party"), an Oregon corporation, and EUGENE COMEDY RADIO, LLC ("Debtor"), a Delaware limited liability company. Pursuant to the terms of an Asset Purchase Agreement dated November 1, 2012 ("the Agreement"), Debtor has purchased from the Secured Party all of the fixed and tangible assets of Radio Station KLZS, Eugene, Oregon. As part of the purchase price Debtor has executed and delivered to the Secured Party a Promissory Note ("Note") for Two Hundred Eleven Thousand Dollars (\$211,000.00) and the parties have agreed that all the fixed and tangible personal property of the station being acquired by the Debtor shall secure the payment of this Note. A Pledge Agreement(s) pledging all of the stock held in the Debtor to the Secured Party has also been executed and delivered. Therein, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties intending to be legally bound agree as follows:

1. SECURITY INTEREST AND DELIVERY

Debtor hereby grants the Secured Party a security interest in all the fixed and tangible personal property of Debtor acquired pursuant to the Agreement, additions thereto, replacements and proceeds thereof, including but not limited to those described in **Exhibit 1** hereto, all of which shall hereinafter be called the "Collateral".

Debtor and Secured Party acknowledge that the security interest created herein does not extend to or encumber in any way the licenses and other authorizations issued by the Federal Communications Commission ("FCC Licenses") for the operation of the Station. While the parties acknowledge that the FCC Licenses are excluded from and not to be considered as any part of the Collateral as defined herein, the Secured Party shall be entitled to the proceeds from the sale, assignment or transfer of said FCC Licenses via the procedures as set forth by Paragraph 9 herein.

2. **POSSESSION AND ENJOYMENT**

As long as Debtor is not in default beyond any grace period hereunder on the Note, Debtor shall be entitled to possession of the Collateral and to use and enjoyment of the same.

3. **ABSENCE OF PRIOR SECURITY INTERESTS**

Debtor represents and warrants to the Secured Party that the Collateral is free from any other prior security interest, lien or encumbrance whatsoever, and Debtor will defend title to the Collateral against all claims and demands of all persons at any time claiming the same, and will not sell, dispose of or encumber the Collateral without the prior consent of the Secured Party, provided, however, that Debtor from time to time may sell, expand, trade or otherwise dispose of such of the Collateral as deemed necessary in the ordinary course of business and which is replaced by other Collateral of at least equal value.

4. **AFFIRMATIVE COVENANTS**

As long as any indebtedness to Secured Party remains outstanding under the Note, Debtor and its Shareholders, Directors and Officers shall:

a. **Maintain Collateral.** Maintain the Collateral in good condition and repair, reasonable wear and tear excepted, and will pay and discharge all taxes, levies and other impositions levied thereon as well as the cost of repairs to or maintenance of the same. If Debtor fails to pay such sums, the Secured Party may do so for Debtor's account and add the amount thereof to the debt secured thereby. Debtor shall have the right to dispose of individual items of the Collateral in the ordinary course of business so long as such items in the aggregate have no substantial adverse effect on the security intended to be afforded this Agreement.

b. **Insure Collateral.** Insure the Collateral against such risks and casualties in such amounts as are customary for assets of that nature; and all insurance policies shall

be written for the benefit of Debtor and the Secured Party as their interests may appear. Such policies or certificates evidencing the same shall be furnished upon written request to the Secured Party. In the event of any insured loss, Secured Party agrees that the insurance proceeds may be used to replace or refurbish any damage and it will endorse and/or execute and deliver any checks or other instruments required in connection therewith.

c. **Costs.** Pay all costs of filing any financing, continuation or termination statement with respect to the security interest created by this Agreement which the Secured Party may deem necessary to protect the Collateral.

d. **Reasonable Access.** Allow the Secured Party reasonable access to the Collateral for the purposes of inspection.

e. **Notice.** Promptly give the Secured Party notice of any destruction, damage, or disposition of the Collateral, or cause such notice to be given.

f. **Certificates.** Deliver upon reasonable request, but not more often than annually, to the Secured Party a certificate of the President or Chief Executive Officer of Debtor stating whether or not an Event of Default (as hereinafter defined) exists as of the date of such certificate, and if so, what steps are being taken to cure the same.

5. **NEGATIVE COVENANTS**

As long as any indebtedness to the Secured Party remains outstanding under the Note, Debtor and its Shareholders shall not:

a. Permit any of the Collateral to be removed from the premises of Debtor's business, except in the usual and ordinary course of business, without the prior written consent of the Secured Party.

b. Permit any superior security interest of any nature whatsoever to attach to the Collateral, except for liens for taxes not due and payable and vendor's security interest for the purchase or replacement of additional equipment, in which event Secured Party shall have a Second Secured Interest.

c. Permit anything to be done that may impair the value of any of the

Collateral or the security intended to be afforded by this Agreement.

d. Permit the sale, transfer, assignment or creation of any additional units of economic interest in the Debtor, or take any action which would cause any dilution of the ownership by the Members of the Debtor.

6. **EVENT OF DEFAULT**

If any one or more of the following events shall occur and shall not have been remedied, there shall have occurred an Event of Default:

a. Any representation or warranty made by Debtor in the Agreement, or herein, or in any certificate delivered pursuant hereto shall be breached or shall prove to be untrue in any material respect.

b. Default shall be made in the payment of the Note or any provision therein and the entire principal sum is declared due and payable by the Holder.

c. Default shall be made in the due performance or observance by Debtor of any covenant or agreement contained herein which shall remain unremedied for twenty (20) days after notice as prescribed in Paragraph 10 herein, or such additional time as may reasonably be required to cure said default, providing Debtor is proceeding diligently.

d. The license for the operation of Station KLZS shall cease to be in full force or shall be modified in any material adverse respect.

e. Debtor shall:

(1) Apply for or consent to the appointment of a receiver, trustee or liquidator of itself or of all or a substantial part of its assets;

(2) Make a general assignment for the benefit of creditors;

(3) Be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy;

(4) File a petition or an answer seeking reorganization under bankruptcy acts or an arrangement with creditor or to take advantage of any insolvency law; or

(5) File an answer admitting the material allegations of, or consent to, or

default in answering a petition filed against Debtor in any bankruptcy, reorganization or insolvency proceeding, or take any corporate action for the purpose of affecting any of the foregoing.

f. An order, judgment or decree shall be entered by any court of competent jurisdiction approving a petition seeking reorganization of Debtor or of all or a substantial part of its assets under bankruptcy acts, and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) consecutive days.

7. **REMEDIES ON DEFAULT**

If any event of default shall occur, the Secured Party shall have the right to take the following action with respect to the Collateral:

a. To require the sale of any or all of the Collateral at a public sale upon such notice as may be required under the applicable laws of the jurisdiction and the Secured Party may bid at such sale; provided that all notices of such sale shall specify that the assignment of licenses of Station KLZS must be first approved by the Federal Communications Commission and similar notice shall be given to all those attending at the public sale.

b. To require that Debtor, as the defaulting party, join with the successful bidder at the public sale in the filing of an application with the Federal Communications Commission requesting the Commission's prior approval of the assignment of license of Station KLZS to the successful bidder, it being expressly understood that the Collateral and licenses shall not be assigned to separate parties.

c. Except as stated, the Secured Party shall have all other rights, powers and remedies of a secured party under the Uniform Commercial Code of Oregon or any other applicable jurisdiction.

8. **REDEMPTION**

Debtor shall have the right to redeem the Collateral before the public sale by tendering to the Secured Party in cash the full amount of the arrearage of principal and

accrued interest on the Note together with any expenses of sale reasonably incurred by the Secured Party to such date. Upon request by Debtor, the Secured Party shall state the total amount required for such redemption prior to the public sale thereof.

9. **APPLICATION OF PROCEEDS**

The proceeds from the public sale hereunder shall be applied in the following manner:

- a. First, to satisfy the reasonable expenses of sale, including but not limited to, attorney's fees provided for in the Note and incurred by the Secured Party.
- b. Second, the satisfaction of the Note.
- c. Third, any remaining amount shall be returned to the Debtor. Debtor shall be liable to the Secured Party for any deficiency if the sale produces an amount insufficient to pay all of the items above.

10. **NOTICES**

All notices, consents and other communications pertaining to this Security Agreement shall be in writing and shall be deemed to be properly given or sent when delivered by prepaid certified or registered mail, return receipt requested, addressed to such party at its respective addresses as follows:

Secured Party: ARLIE & COMPANY
Suzanne Arlie
2911 Tennyson Avenue, Suite 400
Eugene, OR 97408
Phone: (541) 344-5500

Copy to: J. Dominic Monahan, Esquire
Luvaas Cobb
777 High Street, Suite 300
Eugene, OR 97401-2787
(541) 484-9292

Debtor: Eugene Comedy Radio
Max G. Williams

1352 High Street #3
Eugene, OR 97401

The parties hereto may designate such other address for notices by giving notice thereof in the above described manner.

11. **MISCELLANEOUS**

a. All covenants, representations and warranties of Debtor herein or in any certificate delivered pursuant hereto shall survive the execution of this Security Agreement but shall terminate upon the final payment of the Note.

b. Paragraph headings are for ease of reference only and shall not be considered in considering this Agreement.

c. This Security Agreement, the Note, and all other documents contemplated hereunder shall be deemed to be contracts made under the law of the State of Oregon, and shall be construed in accordance with the laws of that State without regard for conflict of laws.

d. No waiver by the Secured Party of any Event of Default shall operate as a waiver of any other Event of Default, and the terms of this Security Agreement shall be binding upon the respective heirs, representatives, successors and assigns of the parties hereto.

e. This Agreement may be executed in multiple counterparts, each of which shall constitute one agreement, even though all parties do not sign the same counterpart.

EXECUTED on the day first above written.

SECURED PARTY

Arlie & Company
an Oregon corporation

DEBTOR

Eugene Comedy Radio, LLC
a Delaware limited liability company

Theresa Bishow, Vice President

Max Williams, Member

Exhibit 1 Property

Exhibit E

Pledge Agreement

PLEDGE AGREEMENT

BETWEEN: ARLIE & PURCHASER (Secured Party)
AND: MAX WILLIAMS,
AND: _____ (collectively, the "Pledgor")
EFFECTIVE DATE: _____, 2012

RECITAL

Pledgor is the one hundred percent (100%) owner of EUGENE COMEDY RADIO, LLC, a Delaware limited liability company (Purchaser) which has purchased all of the assets used and useful in the operation of Radio Station KLZS, Eugene, Oregon [Facility ID 5390]. Purchaser has executed and delivered a promissory note on the Effective Date to Secured Party in the principal amount of Two Hundred Eleven Thousand Dollars (\$211,000.00) (Note) pursuant to the Asset Purchase Agreement between the Secured Party, as Seller, and Purchaser, dated November 1, 2012. To secure payment of the Note and to induce Secured Party to culminate the purchase and sale transaction, Pledgor, as the one hundred percent (100%) owner of Purchaser, has agreed to grant a security interest in its one hundred percent (100%) ownership interest in the Purchaser.

AGREEMENT

1. Grant of Security Interest. Pledgor grants to Secured Party a security interest in its one hundred percent (100%) ownership interest in the Purchaser, and all proceeds thereof. Such ownership interest is evidenced by the Articles of Organization and Membership Certificates issued by the Purchaser for one hundred percent of the stock of the Purchaser.

2. Obligations Secured. The obligations secured by this agreement are the obligations of Purchaser under the Note including the obligation to make all payments on the Note.

3. Delivery of Stock Certificate. Pledgor has delivered to an escrow agent ("Escrow Agent") mutually agreeable to both Parties, the current stock certificate for the Purchaser, evidencing ownership of one hundred percent (100%) of the shares of the Purchaser.

4. This paragraph intentionally omitted.

5. Representations and Warranties of Pledgor. Pledgor represents and warrants to Secured Party that:

5.1 Ownership. Pledgor is the owner of the Stock, free and clear of all liens, encumbrances, or other matters that might affect title to the Units.

5.2 Capitalization. The issued and outstanding stock of the Purchaser consists of ____ Shares, all of which are owned by Pledgor.

5.3 Capacity to Transfer Units. Pledgor has full power to transfer the Stock, and upon such transfer, the transferee shall take good and marketable title to the Stock free and clear of any claims, liens, encumbrances, or security interests.

6. Covenants of Pledgor With Respect to Units. Pledgor agrees that:

6.1 No New Encumbrances. Pledgor shall not allow or grant any other lien or security interest with respect to the Stock.

6.2 Maintenance of Security Interest. Pledgor shall procure, execute, and deliver from time to time any endorsements, assignments, financing statements, and other writings deemed necessary or appropriate by Secured Party to perfect, maintain, and protect Secured Party's security interest in the Stock and its priority in the Stock.

7. Covenants of Pledgor With Respect to Purchaser. Until the Note is paid in full, unless otherwise agreed in writing by Secured Party, Pledgor agrees to cause the Purchaser to:

7.1 Corporate Matters. Not amend its Articles of Organization or Operating Agreement, or adopt a plan of liquidation or dissolution;

7.2 Debt. Not create, incur, assume, or suffer to exist any obligation for borrowed money other than current accounts payable and similar current liabilities incurred in the ordinary course of business from the date of this agreement.

7.3 Insurance. Maintain insurance in such amounts and against such liabilities and hazards as is reasonable for the industry in which the Purchaser operates.

8. Voting Units; Custody of Certificates.

8.1 As long as no Event of Default (as defined in Paragraph 10 below) shall have occurred, subject to Paragraphs 6 and 7, Pledgor shall be entitled to vote the Shares.

8.2 If at any time or from time to time, with respect to the Shares, Pledgor shall receive or shall become entitled to receive any dividend, warrant, option, or any other distribution (other than a cash dividend, within the limitations prescribed in Paragraph 7, which may be retained by Pledgor as long as there exists no Event of Default), whether in securities or other property, for any reason, including without limitation, liquidation, spin-off, split-up or reclassification, combination of Stocks, deliver all such dividends or other distribution, in pledge, to Secured Party as security for the payment and performance of the obligation secured by this agreement. Pledgor shall immediately notify the Company to make all such distributions directly to Secured Party. Secured Party may endorse, in Secured Party's name or in the name of Pledgor, any and all instruments by which any payment on the Stock may be made and may take such action as Secured Party may deem appropriate from time to time, in Secured Party's name or in the name of Pledgor, to enforce collection of the Stock. For such purpose, Pledgor appoints Secured Party the attorney-in-fact of Pledgor, under a power coupled with an interest, with full power of substitution.

8.3 As long as the obligations secured by this Agreement remain outstanding, Pledgor will not transfer, whether by sale, gift or otherwise, any ownership interest in the Stock without Secured Party's prior written approval.

9. Events of Default. Any one or more the following events constitutes an event of default (Event of Default):

9.1 A breach of or a failure to perform any of the terms of this Agreement, the Note or the Security Agreement. A failure to make payments owing under a monetary obligation as evidenced by the Note shall be governed by the terms of Paragraph 10.1, which has not been cured within 20 days after notice has been given of such breach or failure, including, without limitation, the representations and warranties contained in Paragraph 5 and the covenants contained in Paragraphs 6 and 7 of this Agreement.

10. Remedies Upon Default. Upon the occurrence of any Event of Default, Secured Party may, in Secured Party's sole discretion and with or without further notice to Pledgor and in addition to all rights and remedies at law or in equity or otherwise:

10.1 Declare the entire balance of the Note immediately due and payable.

10.2 Register in Secured Party's name any or all of the Stock.

10.3 Exercise Secured Party's proxy rights with respect to all or a portion of the Stock for the purpose of a sale of the Stock upon Default. In such event, Pledgor agrees to deliver promptly to Secured Party further evidence of the grant of such proxy in any form requested by Secured Party.

10.4 Sell or otherwise dispose of the Stock in accordance with Paragraph 12 below.

11. Sale Upon Default. Pledgor and Secured Party acknowledge and agree that the Shares are difficult to value and have no existing public market. The parties further agree that the Shares are not subject to sale in a "recognized market." Pledgor and Secured Party wish to agree to reasonable standards for conducting a commercially reasonable sale of the Stock. Without limiting rights and remedies otherwise available to Pledgor, the parties agree that compliance with the following steps shall satisfy requirements of a commercially reasonable sale;

11.1 The sale may be either a public or a private sale, at Secured Party's discretion, and it may be for all or any portion of the Stock.

11.2 Secured Party shall set a date for public sale of the Stock, or a date after which a private sale may occur, which date shall be not less than 30 days after the date notice of the sale is given to Pledgor, and shall send written notification to Pledgor in advance regarding the date and the time of the public sale, or the date after which a private sale may occur.

11.3 Any public sale shall take place at a site selected by Secured Party.

11.4 Immediately upon request, Pledgor shall provide Secured Party with information requested by Secured Party for compliance with state or federal securities laws.

11.5 At any sale of any of the Stock, Secured Party may restrict the prospective bidders or purchasers to persons or entities who, by certain representations made by them, would render registration of the sale under state or federal securities laws unnecessary.

12. **FCC Approval.** It is understood and agreed that, notwithstanding this Agreement, Pledgor shall have control of the Purchaser for purposes of operations of Purchaser and Radio Station KLZS, until a Sale of the Stock is completed, and consummation of that sale occurs. In connection with any consent of consents required to be obtained from the Federal Communications Commission ("FCC") to any of the provisions hereof, or implementation thereof, or Secured Party's remedies hereunder. Debtor agrees to immediately, upon demand by Secured Party, execute any documents, perform any acts, provide any information and otherwise cooperate with Secured Party to obtain such FCC consent or consents without receiving any further consideration thereof.

13. **Notice.** All notices required by this Agreement shall be in writing addressed to the party to whom the notice is directed at the address of that party set forth below the signatures on this Agreement and shall be deemed to have been given for all purposes upon receipt when personally delivered; one day after being sent, when sent by recognized overnight courier service; two days after deposit in United States mail, postage prepaid, registered or certified mail; or on the date transmitted by telegraph or facsimile. Any party may designate a different mailing address or a different person for all future notices by notice given in accordance with this paragraph.

14. Attorney Fees. In any proceeding to enforce or interpret this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorney fees, costs, and expenses incurred by the prevailing party before and at any trial, arbitration, bankruptcy or other proceeding, and in any appeal or review.

15. Modification. No modification of this Agreement shall be valid unless it is in writing and is signed by all of the parties.

16. Integration. This Agreement is the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained in this Agreement. This Agreement shall supersede all prior communications, representations, and agreements, oral or written, of the parties.

17. Interpretation. The paragraph headings are for the convenience of the reader only and are not intended to act as a limitation on the scope or meaning of the paragraphs themselves. This Agreement shall not be construed against the drafting party.

18. Severability. The invalidity of any term or provision of this Agreement shall not affect the validity of any other provision.

19. Waiver. Waiver by any party of strict performance of any provision of this Agreement shall not be a waiver of or prejudice any party's right to require strict performance of the same provision in the future or of any other provision.

20. Binding Effect. Subject to restrictions in this Agreement upon assignment, if any, this Agreement shall be binding on and inure to the benefit of the heirs, legal representatives, successors, and assigns of the parties.

21. Governing Law. This Agreement shall be interpreted and enforced according to the laws of the State of Oregon.

22. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute one agreement, even though all parties do not sign the same counterpart.

SECURED PARTY

Arlie & Company
an Oregon corporation

Teresa Bishow, Vice President

DEBTOR

Eugene Comedy Radio, LLC
a Delaware limited liability company

Max Williams, Member

PLEDGOR

[], Personally

PLEDGOR

Max Williams, Personally