

EXPLANATION OF TRANSFER

Carl Watkins and Richard O. Mecham on behalf of RJ Broadcasting LS, LLC, entered into two (2) separate lease agreements dated January 10, 2012, and July 17, 2012, for the use of Carl Watkins' translators located on Howard Mountain, Idaho. Richard O. Mecham has not fully paid Carl Watkins all payments required under the Leases.

Carl Watkins filed a complaint in the District Court in Bonneville County, Idaho, Case No. CV-10-197165 to recover amounts Richard O. Mecham owed to him under the Leases.

The parties executed a Settlement and Release of Claims Agreement (copy attached to the Assignment Application) whereby Mecham agreed to convey KWIK-AM to Carl Watkins, and after completion of the transfer Carl Watkins would dismiss the case filed in District Court.

The parties also executed an Addendum to the Settlement and Release of Claims Agreement in December 2021 (copy attached to the Assignment Application), since the transfer did not happen in 2020 after the Settlement and Release of Claims Agreement was executed. The Addendum elaborates on what Watkins will receive as a result of the transfer and that Richard O. Mecham has five (5) years to clear any encumbrances on said equipment so the equipment can be transferred to Carl Watkins free and clear.