

ASSET PURCHASE AGREEMENT

This Agreement, made and entered into as of the ____ day of _____, 2020, by and between **KSRM RADIO GROUP, INC.** and its owner, Matthew A. Wilson ("Buyer") and **KSRM, Inc.** and John C. Davis ("Seller"), both entities having the address of 40960 Kalifornsky Beach Rd. Kenai, AK 99611.

Recitals

WHEREAS, Seller is the licensee of the following Broadcast and FM Translator Stations (the "Stations"):

KSRM-AM, Soldotna, Alaska, Facility ID 35635

K223DG (FX), Facility ID 202927

KTF774 (STL)

KUN651 (STL)

KWHQ-FM, Kenai, Alaska, Facility ID 35636

KKIS-FM, Soldotna, Alaska, Facility ID 34883

KQB605 (STL)

WMU407 (STL)

KSLD-AM, Soldotna, Alaska, Facility ID 34880

K245DB (FX), Facility ID 202191

KPG677 (STL)

WLE404 (STL)

KFSE-FM, Kasilof, Alaska, Facility ID 78420

WQHD624 (STL)

KKNI-FM, Sterling, Alaska, Facility ID 72677

K232EH, Facility ID 155064

K239AV, Facility ID 155087

WQQX412 (STL)

and;

WHEREAS, Buyer desires to acquire the license and other authorizations issued by the Federal Communications Commission ("FCC") for the operation of the Stations, and to purchase some of the assets used or useful in and for the operation of the Stations, and to lease the other assets used or useful in the operation of the Stations, and;

WHEREAS, Seller desires to sell and lease the Stations' assets and transfer the Stations' licenses and other authorizations to Buyer, and

WHEREAS, the Stations' licenses and authorizations may not be assigned to Buyer without the FCC's prior consent.

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

1. RULES OF CONSTRUCTION

1.1. Defined Terms.

- "Assignment Application" means the application on FCC Form 314 that Seller and Buyer shall join in and file with the FCC requesting its consent to the assignment of the FCC Licenses from Seller to Buyer.
- "Closing" means the consummation of the Transaction.
- "Closing Date" means the date on which the Closing takes place, as determined pursuant to Section 11 hereof.
- "Escrow Agent" means Professional Escrow Services, Inc. at Kenai, Alaska or another agent as selected by agreement between the parties.
- "Final Order" means any FCC action that, by lapse of time or otherwise, is no longer subject to administrative or judicial reconsideration, review, appeal or stay.
- "Governmental Authority" means any nation or government, any state or other

political subdivision thereof, and any agency, court or other entity that exercises executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

- “Knowledge” when used in connection with any representation or warranty by a person or entity means the actual knowledge of such person or entity at the time the representation is made without any requirement or expectation that such person or entity has made any investigation or inquiry regarding the matter at issue.
- “Note” means the purchase money promissory note in the form of Exhibit A hereto that Buyer will deliver to Seller in partial payment of the Purchase Price.
- “Transaction” means the sale and purchase and assignments and assumptions contemplated by this Agreement and the respective obligations of Seller and Buyer set forth herein.

1.2. Other Definitions. Other capitalized terms used in this Agreement shall have the meanings ascribed to them herein.

1.3. Number and Gender. Whenever the context so requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be construed to mean or include any other gender or genders.

1.4. Headings and Cross-References. The headings of the Sections and Paragraphs hereof have been included for convenience of reference only, and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross-references to Sections or Paragraphs herein shall mean the Sections or Paragraphs of this Agreement unless otherwise stated or clearly required by the context. All references to Exhibits and Schedules herein shall mean the Exhibits and Schedules to this Agreement which have been separately initialed for identification by Seller and Buyer. Words such as “herein” and “hereof” shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context.

1.5. Computation of Time. Whenever any time period provided for in this Agreement is measured in “business days” there shall be excluded from such time period each day that is a Saturday, Sunday, recognized federal legal holiday, or other day on which the FCC's offices are closed and are not reopened prior to 5:30 p.m. Washington, D.C. time. In all other cases all days shall be counted.

2. ASSETS TO BE CONVEYED. On the Closing Date, Seller will sell, assign, transfer, convey and deliver to Buyer, the assets of Seller that are used or held for use in the operation of the Stations (the “Assets” as listed on Schedule 2.2), free and clear of all liens and

encumbrances whatsoever, except for statutory liens for taxes not yet due.

2.1. Licenses. The licenses, permits and other authorizations issued by the FCC for the operation of the Stations listed in Schedule 2.1 hereof (the "FCC Licenses"), and all other transferable licenses, permits and authorizations issued by any other Governmental Authorities that are used in or necessary for the lawful operation of the Stations as presently operated by Seller.

2.2. Tangible Property. The tangible personal property and fixtures owned by Seller that are used or held for use solely in connection with the operation of the Stations listed in Schedule 2.2 hereof, together with replacements thereof and improvements and additions thereto made between the date hereof and the Closing Date.

2.3. Contracts. Any and all contracts for the sale of time on the Stations as well as any accounts receivable, will transfer to Buyer upon Closing. Seller shall work with Buyer to provide any needed assignments of the contracts.

2.4. Real Property Lease. The real property which is described in Schedule 2.4 hereto (the "Real Property").

2.5 Equipment Lease. The Equipment described in Schedule 2.5 (the "Equipment").

2.6. Intangible Property. All Seller's right, title and interest in and to the call signs, slogans, logos, trademarks, copyrights, and similar materials and rights and the goodwill and other intangible assets used in or arising from the business of the Stations.

2.7. Business Records. All business records of Seller (including without limitation customer lists, logs, public file materials, and engineering records) relating to or used in the operation of the Stations.

3. PURCHASE PRICE AND ALLOCATION OF PURCHASE PRICE.

3.1. Purchase Price and Method of Payment. The purchase price is comprised of the following money and lease transactions between the parties (the "Purchase Price"):

(a) Three Hundred Thousand Dollars (\$300,000.00) to be deposited with the Escrow Agent. On the Closing Date, Buyer shall authorize the Escrow Agent to release the Three Hundred Thousand Dollar (\$300,000) deposit to Seller, however, if the FCC licenses fail to transfer for any reason or the Seller breaches this Agreement, the deposit shall be returned to Buyer; and

(b) On the Closing Date, the Buyer shall deliver to Seller a Promissory Note in the amount of Eight Hundred Thousand Dollars (\$800,000.00).

(c) On the Closing Date, Buyer shall enter into a Commercial Real Estate Lease with a monthly payment of Seven Thousand Dollars (\$7,000.00) and an Equipment Lease with a monthly payment of Four Thousand Dollars (\$4,000.00).

3.2. Allocation of Purchase Price. The Purchase Price shall be allocated as follows:

Tangible Personal Property	\$300,000.00
FCC License	\$800,000.00

Seller and Buyer shall use such allocation for all purposes related to the valuation of the Assets, including, without limitation, in connection with any federal, state, borough or local tax returns and, unless required to do so in accordance with a "determination" as defined in Section 1313(a)(1) of the Internal Revenue Code, neither Seller nor Buyer shall take any position in any tax return, tax proceeding, tax audit or otherwise that is inconsistent with such allocation.

3.3 Leases. Buyer and Seller will enter into leases for the use of the Real Property and Equipment necessary to operate the Stations. These leases will provide that upon receipt of the entire Purchase Price, Seller will transfer the Real Property and Equipment to the Buyer. These leases are vital to this Agreement and are hereby incorporated into this Agreement.

4. SELLER'S LIABILITIES. Buyer does not and shall not assume or be deemed to assume, pursuant to this Agreement or otherwise, any liabilities, obligations, or commitments of Seller, of any nature whatsoever.

5. SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS. Seller hereby makes the following representations, warranties, and covenants:

5.1 Existence and Power. KSRM Inc. is an Alaska corporation validly existing and in good standing under the laws of the State of Alaska with the full power to enter into, deliver, and perform this Agreement. John C. Davis is an individual Alaska resident who owns some of the real property involved in this transaction.

5.2. Binding Agreement. The execution, delivery, and performance of this Agreement by KSRM Inc. has been duly authorized by its Board of Directors. This Agreement has been duly executed and delivered to Buyer by KSRM Inc. and John C. Davis and constitutes a legal, valid, and binding obligation of Seller enforceable against Seller in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity.

5.3. No Violation. The execution and performance of this Agreement by Seller will not violate KSRM Inc.'s articles of organization, operating agreement, or any material order, rule, judgment or decree to which KSRM Inc. or John C. Davis are subject, or breach any contract, agreement or other commitment to which Seller or its principals are a party or are bound.

5.4. Conveyance of Assets. At Closing, Seller shall convey to Buyer good and marketable title to all the Assets, free and clear of all liens, pledges, collateral assignments, security interests, leases, easements, covenants, restrictions and encumbrances or other defects of title except for the lien of any personal or real property taxes that will not become due until after the Closing Date.

5.5 Assumption of Loans. Upon Closing, Buyer will assume the two outstanding loans from Fred Dunham (held by First National Bank Alaska, Escrow Acct. No. 52417102) and AKUSA (Loan No. 1587142-L01).

5.6. Governmental Authorizations. Except for the FCC Licenses, Seller is unaware of any material licenses, permits, or authorizations from any Governmental Authority which are required to operate the Stations. The FCC Licenses are all the FCC authorizations held by Seller with respect to the Stations, and are all the FCC authorizations used in or necessary for the lawful operation of the Stations. The FCC Licenses are in full force and effect, are subject to no materially adverse conditions or restrictions, and are unimpaired by any acts or omissions of Seller or Seller's employees or agents.

5.7. Condition of Assets and Equipment. On the Closing Date, the Assets transferred under this Agreement, as well as the Equipment being leased to Buyer, shall be provided "as is" and Buyer hereby accepts them in such condition.

5.8. Real Property. Seller has, and after Closing, Buyer will have, all legal and practical access, under the Real Property Lease, to the Real Property as necessary for the operation of the Stations. None of the buildings, structures or improvements that are constructed on the Real Property (including without limitation the ground system, all guy wires and guy anchors) encroach upon adjoining real estate, and, to Seller's Knowledge, all such buildings, structures and improvements are constructed in conformity with all "set-back" lines, easements and other restrictions or rights of record, and all applicable building or safety codes and zoning ordinances, with the sole exception of the groundwater system running across the station property which will continue to be used and maintained by Seller. There are not pending, or to Seller's Knowledge, threatened condemnation or eminent domain proceedings that may have a material adverse effect on Buyer's use of the Real Property for the operation of the Stations after Closing. Seller has no knowledge of any structural or other material defects in the towers, buildings, structures and other improvements located on Real Property.

5.9. Utilities. All utilities that are necessary for Seller's present operation of the Stations, have been connected to the Real Property and are in good working order. To Seller's Knowledge, none of those utility lines cross the lands of others except where appropriate easements or licenses have been obtained.

5.10. Seller Delinquencies. Seller has no outstanding obligations nor delinquencies except for current operating expenses, all of which shall be paid in full from initial closing funds so as to not negatively affect Buyer's enjoyment and operation of station.

5.11. Seller Representations. In making its representations herein, Seller avers that it has made reasonable inquiry as to the accuracy and completeness of its factual representations and that such representations are true, complete and accurate to the best of Seller's knowledge, inquiry and ability.

5.12. Seller Assistance. Seller shall make all reasonable efforts to assist Buyer in making all transitions, in all asset transfers and to facilitate Buyer's uninterrupted operation of the assets and licenses.

5.13. Litigation. Except for proceedings affecting radio broadcasters generally, there is no complaint, investigation, or proceeding pending or, to Seller's Knowledge, threatened before or by the FCC, any other Governmental Authority, or any other person or entity relating to the business or operations of the Stations. There is no other litigation, action, suit, investigation or proceeding pending or, to the best of Seller's Knowledge, threatened that may give rise to any claim against any of the Assets or adversely affect Seller's ability to consummate the Transaction as provided herein. Seller is not aware of any facts that could reasonably result in any such proceedings.

5.14. Compliance with Law.

(a) Seller has, in its conduct of the Stations' business, complied in all respects material to this transaction with all applicable statutes, regulations and orders relating to the employment of labor, including those concerning wages, hours, equal employment opportunity, collective bargaining, and pension and welfare benefit plans.

(b) On or before the Closing Date, Seller will pay and discharge all taxes, assessments, excises and other levies relating to the Assets, including all FCC Regulatory Fees (the parties will prorate any new fees due), which, if due and not paid, could result in a lien attaching to the Assets or otherwise would interfere with Buyer's full enjoyment and use of the Assets after Closing, except for such taxes, assessments, and other levies as will not be due until after the Closing Date.

5.15. Insolvency Proceedings. No insolvency proceedings of any character, including without limitation bankruptcy, receivership, reorganization, composition or

arrangement with creditors, voluntary or involuntary, affecting Seller or the Assets are pending or threatened. Seller has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of any insolvency proceedings. Upon consummation of the transactions provided for herein, Seller will have sufficient capital to carry on their business and transactions,.

6. BUYER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

Buyer hereby makes the following representations, warranties and covenants:

6.1 Existence and Power. Buyer is an Alaska Corporation validly existing and in good standing under the laws of the State of Alaska with the full power to enter into, deliver and perform this Agreement.

6.2 Binding Agreement. The execution, delivery, and performance of this Agreement by Buyer has been duly authorized by all necessary action of Buyer's Board of Directors. This Agreement has been duly executed and delivered to Seller by Buyer and constitutes a legal, valid, and binding obligation of Buyer enforceable against Buyer in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity.

6.3 No Violation. The execution and performance of this Agreement by Buyer will not violate Buyer's articles of organization or operating agreement, or any material order, rule, judgment or decree to which Buyer or any of Buyer's principals are subject, or breach any contract, agreement or other commitment to which Buyer or its principals are a party or are bound.

6.4 Licensee Qualifications. Buyer is legally, financially, and otherwise qualified under the Communications Act of 1934, as amended, and the rules and regulations of the FCC to be the licensee of the Stations.

6.5 Litigation. There is no action, suit, investigation or other proceeding pending or to Buyer's Knowledge threatened that may adversely affect Buyer's ability to perform its obligations under this Agreement in accordance with the terms hereof, and Buyer is not aware of any facts that could reasonably result in any such proceeding.

6.6 Financial Statements. Buyer shall provide Seller with a monthly financial statement, hand delivered or by mail, until the Note is paid in full.

6.7 Life Insurance. Buyer agrees to maintain life insurance on Matthew A. Wilson, in an amount at least equal to the remaining price of the Note, with KSRM Inc. as the named beneficiary.

6.8 Property Access. Buyer agrees to provide continuing access to Seller's home, across the paved driveway, in perpetuity. This restriction will be placed in the deed to transfer the real property, upon full payment of the Note.

6.9 Water System. Buyer agrees to continue to provide water to Seller on Lot 8B, its heirs and assigns, in perpetuity, through the water pump and system. Seller will pay all costs for maintenance, and pump replacement when both parties agree replacement is necessary. This restriction will be placed in the deed to transfer the real property, upon full payment of the Note.

6.10 Fruit Holdings. Buyer agrees to allow Seller's Apple Orchard and Raspberry Patch to remain where located, neither of which is to expand beyond its current footprint. Seller to reserve easement for this purpose in granting deed.

7. PRE-CLOSING RIGHTS AND OBLIGATIONS. The parties covenant and agree as follows with respect to the period prior to Closing:

7.1. Application for FCC Consent. Within five (5) business days after the execution of this Agreement, Seller and Buyer shall join in and file the Assignment Application, and they shall diligently take all steps necessary or desirable and proper expeditiously to prosecute the Assignment Application and to obtain the FCC's determination that grant of the Assignment Application will serve the public interest, convenience and necessity.

7.2. Access. Between the date hereof and the Closing Date, Seller shall give Buyer and representatives of Buyer reasonable access during normal business hours to the Assets and to the books and records of Seller relating to the business of the Stations. No inspection or investigation made by or on behalf of Buyer or Buyer's failure to make any inspection or investigation shall affect Seller's representations, warranties, and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties, and covenants.

7.3. Administrative Violations. If Seller receives or becomes aware of any finding, order, complaint, citation or notice prior to Closing which states that any aspect of the Stations' operations violates any rule, regulation or order of the FCC or of any other Governmental Authority which affects the Assets (an "Administrative Violation"), including without limitation any rule, regulation or order concerning environmental protection, the employment of labor, or equal employment opportunity, Seller shall use its best efforts to remove or correct the Administrative Violation and shall be solely responsible for the payment of all costs associated therewith, including any fines or back pay that may be assessed. Seller shall also give prompt notice to buyer. If any uncorrected violation or proceeding persists to the time set for closing, Buyer at its sole discretion may void this agreement without liability and all escrowed funds shall be promptly returned to Buyer. Should any violation or other proceeding persist to the time set for closing Buyer at its sole discretion may void this agreement without

liability and all escrowed funds shall be promptly returned to Buyer. Should any violation or other proceeding pertaining to Sellers's operation of the stations prior to closing first become reasonably known after Closing, then Seller shall defend and indemnify Buyer against any financial loss or loss of operating privileges. Should such circumstances threaten the continued operation or viability of the stations, Buyer shall be entitled within the first sixty (60) days after closing to cancel this transaction and be reimbursed by Seller for all related losses and all payments to Buyer.

7.4. Risk of Loss. The risk of loss or damage to the Assets and Equipment shall be upon Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. In the event that any loss, damage or destruction to the Assets or Equipment has not been repaired, restored and/or replaced prior to the prescribed time for Closing hereunder, Buyer, in its sole discretion, may elect to (a) extend the time for Closing by an additional sixty (60) days to enable completion of repairs or restoration, or (b) proceed to Closing and Seller shall assign its rights to receive any insurance proceeds with respect to the damaged, lost, or destroyed assets to Buyer and, to the extent that the insurance proceeds so assigned are insufficient to cover all of the costs of repairing and/or replacing the assets that were damaged, lost or destroyed, the Purchase Price shall be adjusted to cover such shortfall.

7.5. Operations Prior to Closing. Between the date of this Agreement and the Closing Date:

(a) Seller shall use its best efforts to (i) maintain all of the Assets and Equipment in good operating condition, ordinary wear and tear excepted and (ii) comply in all material respects with all laws, rules and regulations of all Governmental Authorities.

(b) Seller shall not (i) sell or otherwise dispose of any of the Stations Assets or Equipment except in the ordinary course of business and only if any material property disposed of is replaced by property of like or better kind, quality, and utility prior to Closing; (ii) enter into any contract, lease, or agreement that will impose any material obligation on Buyer after Closing except for contracts for the sale of advertising time entered into in the ordinary course of business which may be cancelled on thirty (30) days' notice; (iii) change the Stations' current call sign; or (iv) cause or permit any of the FCC Licenses to be revoked, suspended or materially modified.

7.6. Control of Stations. This Agreement shall not be consummated until after the FCC has given its written consent thereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operations of the Stations. Such operations shall be the sole responsibility of Seller.

8. CONDITIONS PRECEDENT.

8.1. Mutual Conditions. The obligation of both Buyer and Seller to consummate the Transaction is subject to the satisfaction of each of the following conditions:

(a) **Approval of Assignment Application.** The FCC shall have granted the Assignment Application and such action (the "FCC Consent") shall be in full force and effect on the Closing Date.

(b) **Absence of Litigation.** As of the Closing Date, no action, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of the Transaction shall be pending before any court, the FCC, or any other Governmental Authority; provided, however, that this Paragraph may not be invoked by a party if any such action, suit, or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of, such party.

8.2. Conditions to Buyer's Obligation. In addition to satisfaction of the mutual conditions contained in Section 8.1, the obligation of Buyer to consummate the Transaction is subject, at Buyer's option, to the satisfaction of each of the following conditions:

(a) **Representations and Warranties.** The representations and warranties of Seller to Buyer shall be true, complete, and correct in all material respects as of the Closing Date with the same force and effect as if then made.

(b) **Compliance with Conditions.** All of the terms, conditions and covenants to be complied with or performed by Seller on or before the Closing Date shall have been duly complied with and performed in all material respects.

(c) **Final Order.** The FCC's action granting the Assignment Application shall have become a Final Order.

(d) **Closing Documents.** Seller shall have delivered or caused to be delivered to Buyer all of the closing documents specified in Paragraph 9.2.1, all of which documents shall be dated as of the Closing Date, duly executed, and in a form reasonably acceptable to Buyer.

8.3. Conditions to Seller's Obligation. In addition to satisfaction of the mutual conditions contained in Section 8.1, the obligation of Seller to consummate the Transaction is subject, at Seller's option, to satisfaction of each of the following conditions:

(a) **Representations and Warranties.** The representations and warranties of Buyer to Seller shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if then made.

(b) **Compliance with Conditions.** All of the terms, conditions and covenants to be complied with or performed by Buyer on or before the Closing Date shall have been duly complied with and performed in all material respects.

(c) **Payment.** Buyer shall have delivered to the Escrow Agent the \$300,000 down payment of the Purchase Price.

(d) **Closing Documents.** Buyer shall have delivered to Seller all the closing documents specified in Paragraph 9.2.2, all of which documents shall be dated as of the Closing Date, duly executed, and in a form reasonably satisfactory to Seller.

9. CLOSING.

9.1. Closing Date and Method. Unless Seller and Buyer agree otherwise: (i) the Closing Date shall be on the fifth (5th) business day after all of the conditions precedent, other than the deliveries to be made on the Closing Date, have been satisfied or waived and (ii) the Closing shall be accomplished on the Closing Date by exchanging the closing documents required by this Agreement and such other closing documents as the parties may reasonably require in person, by mail, facsimile or by electronic exchange.

9.2. Performance at Closing. The following documents shall be delivered at Closing:

9.2.1. By Seller. Seller shall deliver or cause to be delivered to Buyer:

(a) Assignments in form and substance reasonably satisfactory to Buyer transferring to Buyer all of the interests of Seller in and to the FCC Licenses and all other transferable licenses, permits, and authorizations issued by any other Governmental Authorities that are used in or necessary for the lawful operation of the Stations;

(b) A Bill of Sale in form and substance reasonably satisfactory to Buyer conveying to Buyer all of the Assets;

(c) The executed Real Property Lease, leasing the facilities to Buyer;

(d) The executed Equipment Lease, leasing the Equipment to Buyer.

(e) An executed and approved assignment of the Hansen Lease.

(f) Such assumption agreements and other instruments and documents as are required to evidence Buyer's assumption of and obligation to pay, perform, and discharge Seller's obligations under the Fred Dunham and AKUSA loans.

(g) Any other documents and actions reasonably necessary to complete the transaction and effect its intended purpose.

9.2.2. By Buyer. Buyer shall deliver to Seller:

(a) Buyer shall cause the Escrow Agent to provide the \$300,000 down payment of the Purchase Price to Seller;

(b) The executed Note;

(c) The executed Real Property Lease;

(d) The executed Equipment Lease.

(e) An executed and approved assignment of the Hansen Lease.

(f) Such assumption agreements and other instruments and documents as are required to evidence Buyer's assumption of and obligation to pay, perform, and discharge Seller's obligations under the Fred Dunham and AKUSA loans.

(g) Any other documents and actions reasonably necessary to complete the transaction and effect its intended purpose;

10. INDEMNIFICATION. The parties agree as follows with respect to the period subsequent to Closing:

10.1. Buyer's Right to Indemnification. For a period of one (1) year following the Closing, Seller undertakes and agrees to indemnify and hold Buyer harmless against (i) any breach, misrepresentation, or violation of any of Seller's representations, warranties, covenants, or other obligations contained in this Agreement; (ii) all liabilities of Seller not assumed by Buyer; and (iii) any claims by third parties against Buyer attributable to Seller's ownership or operation of the Assets prior to Closing and not otherwise assumed by Buyer under this Agreement. This indemnity is intended by Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, interest, penalties, costs, and expenses (including, without limitation, reasonable fees and disbursements of counsel), arising within said one (1) year period whether suit is instituted or not and, if instituted, whether at the trial or appellate level, with respect to any and all of the specific matters set forth in this indemnity. Seller to defend Buyer against these items.

10.2 Seller's Right to Indemnification. For a period of one (1) year following the Closing, Buyer undertakes and agrees to indemnify and hold Seller harmless against (i) any breach, misrepresentation, or violation of any of Buyer's representations, warranties, covenants, or other obligations contained in this Agreement; (ii) all liabilities of Buyer; and (iii) any claims

by third parties against Seller attributable to Buyer's operation of the Stations after Closing. This indemnity is intended by Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, interest, penalties, costs, and expenses (including, without limitation, reasonable fees and disbursements of counsel), arising during said one (1) year period whether suit is instituted or not and, if instituted, whether at the trial or appellate level, with respect to any and all of the specific matters set forth in this indemnity. Buyer to defend Seller against these items.

10.3 Indemnification Not Sole Remedy. The right to indemnification hereunder shall not be the exclusive remedy of either party in connection with any breach by the other party of its representations, warranties, or covenants, nor shall such indemnification be deemed to prejudice or operate as a waiver of any remedy to which either party may otherwise be entitled as a result of any such breach by the other party.

11. DEFAULT AND REMEDIES.

11.1. Opportunity to Cure. If either party believes the other to be in default hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default has not been cured within ten (10) days after delivery of that notice, then the party giving such notice may exercise the remedies available to such party pursuant to this Section, subject to the right of the other party to contest such action through appropriate proceedings. If a notice of default is given ten (10) days or less prior to the Closing Date, the Closing Date shall be automatically extended to first business day following the last day of the "cure" period. The foregoing notwithstanding, if the default is one that cannot be cured with reasonable diligence within ten (10) days, but could be cured within an additional thirty (30) days and the defaulting party is diligently attempting to cure the default, then the non-defaulting party may not terminate this Agreement on account of such default until such additional thirty (30) day period has elapsed without a cure.

11.2. Seller's Remedies. Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's breach of this Agreement, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if this Agreement is not consummated, the Buyer will pay to Seller One Dollar (\$1.00) as liquidated damages, in lieu of any other remedies to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the Transaction.

11.3. Buyer's Remedies. Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right, if Buyer is not in material default in its obligations hereunder, specifically to enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of

specific performance as a remedy. The right to have this Agreement specifically performed shall be Buyer's sole remedy in the event of Seller's default hereunder.

12. TERMINATION.

12.1. Failure to Obtain FCC Consent. This Agreement may be terminated at the option of either party upon written notice to the other if the Closing has not occurred within nine (9) months after the date on which the FCC releases a public notice that the Assignment Application has been accepted for filing; provided, however, that a party may not terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determination by the FCC respecting the Assignment Application has been caused or materially contributed to (i) by any failure of such party to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the FCC; or (iii) by any other action taken by such party for the purpose of delaying the FCC's decision or determination respecting the Assignment Application.

12.2. Termination Due to Breach. This Agreement may be terminated by either party due to a material breach of this Agreement by the non-breaching party giving written notice of such termination. In such event, the non-breaching party shall be entitled to the remedies specified in Sections 11.2 and 11.3 hereof.

13. ENFORCEMENT OF REMEDIES; DISPUTES. Except for the right of Buyer to seek specific performance of this Agreement which shall be pursued in an appropriate court and the right of either party to enforce the provisions of or any determination made pursuant to this section, the parties agree to resolve any disputes arising out of or in connection with this Agreement as provided in this section.

13.1. Appointment of Arbitrator. If any dispute is not resolved in the time permitted by this Agreement or, if no time is specified, within five days of the date either party gives the other notice that it intends to invoke the provisions of this section, the parties will proceed to utilize the arbitration procedures provided by the Judicial Arbitration and Mediation Services (JAMS), or other arbitration procedures agreed to by the parties. The Arbitrator shall have the full power and authority to resolve the dispute pursuant to the provisions of Alaska Statutes 09.43. The decision of the Arbitrators will be binding and final with respect to both parties and may be enforced by seeking preliminary and permanent injunctive relief or entry of a judgment by a court of competent jurisdiction.

13.2. Venue. The parties agree that unless they otherwise agree, the exclusive venue to be at Kenai. Venue for suit to be the Alaska Superior Court at Kenai, in part because that will expedite matters at lower cost and in part because we are dealing with a Kenai area business and property. Each party to waive recourse to federal courts unless an express federal issue such as FCC actions and licenses are involved.

13.3. Costs and Fees. Each party will bear the costs and fees of the representative appointed by it plus half of the initial fee, costs and expenses of the Arbitrator.

14. GENERAL PROVISIONS.

14.1. Brokerage. Each party represents to the other that it has not employed any broker or finder in connection with the Transaction and agrees to indemnify the other party and hold it harmless against any claim from any broker or finder based upon any agreement, arrangement, or understanding alleged to have been made by Seller or Buyer, as the case may be.

14.2. Expenses. The FCC filing fee for the Assignment Application and the cost of preparing the initial drafts of this Agreement, the Note and security documents shall be paid equally by Buyer and Seller. Any sales, use or transfer taxes applicable to this Transaction shall be by the party that customarily pays such taxes in Alaska. Except as otherwise provided herein, all other expenses incurred in connection with this Agreement or the Transaction shall be paid by the party incurring those expenses whether or not the Transaction is consummated.

14.3. Notices. Any notice, demand, or request required or permitted to be given under the provisions of the Agreement shall be in writing and shall be deemed to have been duly delivered on the date of personal delivery or a delivery receipt provided by Microsoft Outlook or similar, or other confirmation of delivery, or on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, and shall be deemed to have been received on the date of personal delivery or on the date set forth on the return receipt, to the following addresses, or to such other address as a party may request. Notice made in accordance with this section shall be deemed delivered upon receipt.

To Seller: KSRM INC.
Davis Family Trust
Trustee John C Davis
Attn: John C. Davis
40960 Kalifornsky Beach Rd.
Kenai, Alaska, 99611
Email: jcdavis@gci.net

Counsel: Telecommunications Law Prof.
Attn: Gregg Skall
1025 Connecticut Ave, NW, Suite
1011, Washington DC 20036
GSkall@tlp.law

To Buyer: KSRM RADIO GROUP, INC.
Attn: Matt Wilson
40960 Kalifornsky Beach Rd.
Kenai, Alaska, 99611
Email: mattwilson@radiokenai.com

Counsel: Baldwin & Butler, LLC
Attn: Greg Stein
125 N. Willow St.
Kenai, AK 99611
greg@baldwinandbutler.com

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as set forth in this Section shall be deemed ineffective.

14.4. Assignment. Buyer may assign its rights and obligations under this Agreement to any entity controlled by Buyer without Seller's consent provided that such assignment will not delay FCC action on the Assignment Application, and further provided that Buyer shall also remain liable for all of Buyer's obligations hereunder. Except as stated in the preceding sentence, neither party may assign its rights and obligations hereunder without the written consent of the other party which consent will not be unreasonably withheld. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assignees.

14.5. Exclusive Dealings. For so long as this Agreement remains in effect, neither Seller nor any person acting on Seller's behalf shall solicit, initiate, or accept any offer from, or conduct any negotiations with, any person concerning the acquisition of the Stations or the Assets, directly or indirectly, by any party other than Buyer or Buyer's permitted assignees.

14.6. Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (i) confer any rights or remedies on any person other than Seller, Buyer, and their respective successors and permitted assignees; (ii) to relieve or discharge the obligations or liability of any third party; or (iii) to give any third party any right of subrogation or action against either Seller or Buyer.

14.7. Indulgences. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of a party at any time to require performance by another party of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by any party of any default by the another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by a party for the performance of any obligation or act by another party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

14.8. Survival of Representations and Warranties. The several representations, warranties, and covenants of the parties contained herein shall survive the Closing for a period of one (1) year ; provided, however, that those specific matters as to which claims for indemnification have been duly made before the expiration of such one-year period shall survive until those claims have been resolved.

14.9. Prior Negotiations. This Agreement supersedes in all respects all prior and contemporaneous oral and written negotiations, understandings and agreements between the parties with respect to the subject matter hereof. All of said prior and contemporaneous negotiations, understandings and agreements are merged herein and superseded hereby.

14.10. Schedules. The Schedules and Exhibits attached hereto or referred to herein are a material part of this Agreement, as if set forth in full herein.

14.11. Entire Agreement; Amendment. This Agreement sets forth the entire understanding between the parties in connection with the Transaction, and there are no terms, conditions, warranties or representations other than those contained, referred to or provided for herein and therein. Neither this Agreement nor any term or provision hereof may be waived, altered or amended in any manner except by an instrument in writing signed by the party against whom the enforcement of any such change is sought.

14.12. Counsel. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provisions of this Agreement shall be interpreted or construed against the party whose counsel drafted the provision.

14.13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Alaska without regard to the choice of law rules utilized in that jurisdiction.

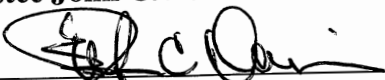
14.14. Severability. If any term of this Agreement is illegal or unenforceable at law or in equity, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

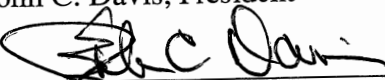
14.15. Waiver of Jury Trial; Attorney's Fees. If, notwithstanding the provisions of Section 15, any law suit is filed to resolve an issue as to the interpretation or enforcement of this agreement and is not dismissed on the basis of Section 15, each party irrevocably waives trial by jury and the right thereto in any and all litigation in any court with respect to, in connection with, or arising out of this Agreement.

14.16. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.

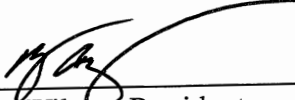
IN WITNESS WHEREOF, and to evidence their assent to the foregoing, Seller and Buyer have executed this Asset Purchase Agreement as of the date first written above.

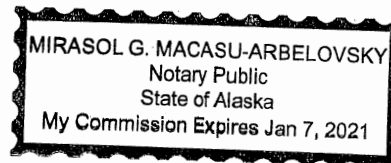
KSRM, INC.
Davis Family Trust
Trustee John C. Davis

By: 
John C. Davis, President


John C. Davis, individually and as Trustee
of the Davis Family Trust

KSRM RADIO GROUP, INC.

By: 
Matt Wilson, President





SCHEDULE 2.2 - "ASSETS"

<u>Transmitter Room & Tower</u>	<u>Model Number</u>	<u>Serial Number</u>	<u>Current Value</u>	<u>Original Cost</u>
<u>KFSE-FM Studio</u>				
Audio Arts Engineering-On-Air Console	R55E			
Dell Computer-On-Air Control				
Dell Computer Server				
Dell Monitor-17" Flat Screen Color/Keyboard				
Dell Monitor-17" Flat Screen Color/Keyboard				
Dell Monitor-13" Flat Screen Color/Keyboard				
Dell Monitor-13" Flat Screen Color/Keyboard				
Symetrix Voice Processor	528E	-----		
Stanton Dual Pro-CD Player	C-500	-----		
ALESIS Stereo Speakers (2each)	620-MI	Active-Wall Mount		
TELOS Multicast Studio Phone System	Omnia-1	-----	2,300.00	2,300.00
Marantz Compact Digital Recorder	PMD660	-----	650.00	-----
Marantz Mobile Cassette Recorder	PMD101	-----	300.00	-----
TASCAM Portable Digital Recorder	DR-07	0173333	300.00	-----
CD Production Music (500 each)	-----	-----	5,000.00	-----
Console Cabinet (4'x8') Misc.Cabinets	-----	-----	2,000.00	-----
Furniture/Chairs	-----	-----	200.00	-----
Sherwood Stero				
Avaya Phone				
Custom Desk				
Book Shelf				
<u>KFSE-FM Remote Site</u>				
Building for Transmitter and Equipment-12'x8'x10'	-----	-----	20,000.00	20,000.00
Energy-Onix FM Transmitter	Echo 10	-----	34,000.00	34,000.00
Energy-Onix Single Phase Power Supply/Surge Protect	-----	-----	6,000.00	6,000.00
Rohn Radio Tower	#80 - 120'	-----	45,000.00	45,000.00
Jampro FM Antenna-Six Bay	-----	-----	13,500.00	13,500.00
Andrew FM Transmission Line-Rods-Fittings	-----	-----	2,000.00	2,000.00
Marti STL Receiver-Composite	STL-20C	-----	2,800.00	2,800.00
Marti STL Antenna/mounting-(2each)	SC-48	-----	1,800.00	1,800.00
Kintronics Isocoupler	-----	-----	5,500.00	5,500.00
Omnia Audio Processor	-----	-----	2,600.00	2,600.00
Inovonics FM Modulation Monitor	-----	-----	2,400.00	2,400.00
Inovonics SCA	53100	-----	1,200.00	1,200.00
Andrew Transmission Line Dehydrator	-----	-----	1,800.00	1,800.00
Chain Link Fence-Tower Protection	-----	-----	3,500.00	3,500.00
Gates FAX 3K FM Transmitter				
Broadcast Tools WVRC-8				
Fostex RM-1 Stereo Rack				
Burk Plus X 600				
Burk ARC Plus Touch				
BEXT LDR STL Aural Receiver				
Burk Plus Connect				
5 Port Router				

EQUIPMENT LEASE AGREEMENT

This Equipment Lease Agreement (this "Agreement") is entered into and effective as of the ____ day of _____, 20____ (the "Effective Date") by and between KSRM Inc. an Alaska corporation (the "Lessor") and KSRM RADIO GROUP, Inc. an Alaska corporation (the "Lessee"). Lessor and Lessee may each be individually referred to herein as a "Party" and collectively as the "Parties."

WHEREAS, the Lessor is the owner of certain Equipment used in the operation of a radio station; and

WHEREAS, Lessee desires to lease the Equipment from the Lessor and the Lessor agrees to lease the Equipment to Lessee; and

WHEREAS, the Parties desire to transfer the Equipment from Lessor to Lessee under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Equipment. The Lessor hereby leases to Lessee and Lessee hereby leases from the Lessor that certain equipment (the "Equipment"), as fully described in Exhibit A, attached hereto and incorporated herein by reference.

2. Term. This Agreement shall be for a term of seven (7) years, which shall commence on the Effective Date (the "Term").

3. Rental Payment. As rent for the Equipment, Lessee shall pay to the Lessor, Four Thousand Dollars (\$4,000.00), per month. The first rental payment shall become due and payable as of the Effective Date. Rental payments shall be made to the Lessor at the address set forth herein or such other address as the Lessor requests in writing.

4. Taxes. Lessee shall pay all sales, use, excise, personal property or other taxes (excepting state and federal income taxes and other taxes upon the "net income" of the Lessor) that may be imposed on either Party as a result of this transaction. Lessee shall indemnify, defend and hold the Lessor, its employees and agents, harmless from all liabilities, suits, judgments, obligations, fines, penalties, claims, costs, and expenses (including reasonable attorneys' fees) arising out of the imposition of, or attempt to impose, any such tax on the Lessor.

5. Maintenance and Replacement. Throughout the Term, Lessee shall provide for the service, repair and maintenance of the Equipment, at Lessee's sole expense, so as to keep the Equipment in operable condition. Lessee shall replace any and all Equipment which may from time to time become worn out, lost, stolen, destroyed, damaged beyond repair, or rendered unfit for use for any reason whatsoever. **All such replacements shall be the sole property of Lessee and the original Equipment being replaced shall be removed from this Agreement.**

6. Use of Equipment. Lessee shall exercise due care in its operation, use and maintenance of the Equipment. Lessee shall not use, and shall not permit others to use, the Equipment in any manner that would contravene applicable laws, rules, regulations and other governmental directives, would violate the terms of any manufacturer's or like warranty, or would contravene the manufacturer's reasonable operational standards for the Equipment. Lessee shall not alter or modify the Equipment without the prior written consent of the Lessor. Lessee agrees that only qualified employees of Licensee shall operate the Equipment.

7. Permits. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall comply with all laws, rules, regulations and other governmental directives applicable to the installation, use, and operation of the Equipment and, if compliance requires changes or additions be made to the Equipment, such changes or additions shall be made by Lessee at Lessee's sole cost and expense.

8. Utility Charges. Lessee shall pay all charges for utility service to be used on or in connection with the Equipment, including charges for installation of such services. There shall be no abatement or diminution of rent due to the interruption of any such services.

9. Default; Remedies. If (a) Lessee shall default in the payment of any rent or in making any other payment hereunder when due, or (b) Lessee shall default in the payment when due of any indebtedness of Lessee to the Lessor arising independently of this Agreement, or (c) Lessee shall default in the performance of any other covenant herein and such default shall continue for thirty (30) days after written notice to Lessee by the Lessor, or (d) Lessee becomes insolvent or makes an assignment for the benefit of creditors, or (e) Lessee applies for or consents to the appointment of a receiver, trustee, or liquidator of Lessee or of all or a substantial part of the assets of Lessee under the Bankruptcy Act, or any amendment thereto or under any other insolvency law or law providing for the relief of debtors, then, if and to the extent permitted by law, the Lessor shall have the right to exercise any one or more of the following remedies: (i) To sue for and recover all rents, and other payments, then accrued or thereafter accruing, with respect to any or all items of the Equipment; (ii) To take possession of any or all items of the Equipment without demand, notice, or legal process, wherever they may be located. Lessee hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute a termination of this Agreement as to any or all items of Equipment unless the Lessor expressly so notifies Lessee in writing; (iii) To pursue any other remedy at law or in equity. All such remedies are cumulative and may be exercised concurrently or separately.

10. Termination. This Agreement is part of a larger transaction between the Parties that includes an Asset Purchase Agreement dated _____, and a Promissory Note between the Parties. As such, no early termination is allowed by Lessor, unless and until Lessee is in default under Section 9 above, in default on the Promissory Note, or the Parties have mutually agreed to terminate the Asset Purchase Agreement and its related documents, along with this Agreement. 11. Transfer of Equipment. Upon expiration of this Agreement, Lessor shall transfer title to all remaining Equipment to Lessee, to have and to hold free of any liens or encumbrances. Upon any other termination, Lessee, at its sole cost and expense, shall promptly

deliver the Equipment back to the Lessor, in good working order, reasonable wear and tear excepted, unless the Parties agree otherwise.

12. Insurance. Lessee hereby acknowledges and agrees that its assumption of risk of loss of the Equipment shall attach upon the Lessee's receipt of the Equipment (the "Equipment Acceptance Date"). Lessee shall, at its sole expense, obtain and maintain throughout the Term general commercial liability insurance against claims for bodily injury, death and property damage with limits of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) general aggregate, to cover such liability caused by, or arising out of activities of the Lessee and/or Lessee's employees with respect to the Equipment. All such certificates evidencing such insurance shall name the Lessor as an additional insured. Lessee represents that it has workers' compensation insurance to the extent required by law. Lessee agrees to furnish proof of all such insurance to the Lessor upon request.

13. Damage. Lessee shall be responsible for replacing any lost or damaged Equipment, regardless of cause, from the Equipment Acceptance Date. In the event of such loss or damage, Lessee, at its option, shall: (i) promptly repair the Equipment to return it to good working order at Lessee's expense; or (ii) replace the Equipment. Such loss or damage shall not relieve Lessee of its obligations under this Agreement, unless the damaged Equipment is replaced by Lessee, in which case it shall belong to Lessee as described under Section 5 above.

14. Indemnification. Lessee shall indemnify, defend and hold the Lessor and its, employees, agents and contractors harmless from all losses, liabilities, actions, suits, judgments, obligations, fines, penalties, claims, costs and expenses (including reasonable attorneys' fees and investigative fees) arising out of the rental of the Equipment and all acts and omissions related thereto.

15. Security Interests in the Equipment. Lessee shall not grant or permit any person or business entity to assert a security or other interest in the Equipment. At all times during the Term, Lessee shall ensure that the Equipment is identified as being owned by the Lessor.

16. Limitations of Damages and Remedies. Even if advised of the possibility of such damages, in no event shall the Lessor be liable for (i) personal injury or property damages, or (ii) lost profits, work stoppage, lost data, or any other special, indirect or consequential damages of any kind. In the event of the Lessor's breach or failure to perform any obligation under this Agreement, the Lessor's entire liability and the Lessee's exclusive remedy shall be, at the Lessor's option, either (i) return of the monetary consideration paid to the Lessor under this Agreement, or (ii) the Lessor's performance of any obligation that failed to satisfy the terms of this Agreement, including the repair of any damaged or defective Equipment.

17. Disclaimer of Warranties. The Lessor disclaims and excludes all warranties, express and implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose, concerning the Equipment leased under this Agreement. The Parties acknowledge and agree the Equipment shall be leased and accepted "AS IS" with all defects.

18. Personal Property. The Equipment is and shall at all times be and remain personal property, notwithstanding that the Equipment, or any part thereof, may now be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by any means of cement, plaster, nails, bolts, screws or otherwise.

19. General Provisions.

19.1 Entire Agreement; Amendment. This Agreement (including all attached or referenced exhibits, addenda and schedules) is intended by the Parties as the final and binding expression of their agreement as to the lease of the Equipment. This Agreement may be amended only in writing duly executed by the Parties.

19.2 Assignment. This Agreement may not be assigned by a Party without the prior written consent of the other Party. Any assignment attempted to be made in violation of this Agreement shall be void. In the event of any assignment, Lessee shall remain responsible for its performance and liable for assignee's performance.

19.3 Force Majeure. No Party to this Agreement shall be responsible for any delays or failure to perform any obligation under this Agreement due to acts of God, strikes or other disturbances, including, without limitation, war, insurrection, embargoes, governmental restrictions, acts of governments or governmental authorities, and any other cause beyond the control of such party. During an event of force majeure, the Parties' duty to perform obligations shall be suspended.

19.4 Governing Law; Consent to Jurisdiction. The laws of the state of Alaska shall govern the validity, construction and enforceability of this Agreement, without giving effect to its conflict of laws principles. All suits, actions, claims and causes of action relating to the construction, validity, performance and enforcement of this Agreement shall be in the courts of Third Judicial District at Kenai.

19.5 Notices. All notices, requests and other communication that a Party is required or elects to deliver shall be in writing and shall be delivered personally, by facsimile (provided such delivery is confirmed), or by United States mail to the other Party at its address set forth below or to such other address as such Party may designate by notice given pursuant to this section.

If to the Lessor: KSRM Inc., Davis Family Trust, John Davis Trustee
 Attn: John C. Davis

If to Lessee: KSRM Radio Group, Inc.
 Attn: Matt Wilson

19.6 Severability. If one or more provisions of this Agreement, or the application of any provision to any Party or circumstance, is held invalid, unenforceable, or illegal in any respect, the remainder of this Agreement and the application of the provision to other Parties or circumstances shall remain valid and in full force and effect.

19.7 Non-Waiver of Defaults. Any failure of the Lessor at any time, or from time to time, to enforce or require the strict keeping and performance of any of the terms and conditions of this Agreement, or to exercise a right hereunder, shall not constitute a waiver of such terms, conditions or rights, and shall not affect or impair the same, or the right of the Lessor to avail itself same.

19.8 Section Headings. All section headings are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

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

IN WITNESS WHEREOF, the Parties have entered into this Agreement, effective as of the Effective Date set forth above.

**LESSOR: KSRM Inc., Davis Family Trust,
John C. Davis, Trustee**

LESSEE: KRSM Radio Group, Inc.

By: _____
John C. Davis, President

By: _____
Matt Wilson, President

LEASED EQUIPMENT

<u>Transmitter Room & Tower</u>	<u>Model Number</u>	<u>Serial Number</u>	<u>Current Value</u>	<u>Original Cost</u>
Energy-Onyx Transmitter-2007	ECHO-12	070433	30,000.00	34,000.00
Energy-Onix FM Exciter	SST-30FS	070434		
Gates Air FM Transmitter - KWHQ				
Gates Air FM Exciter - KWHQ				
Omnia FM Audio Processor - KWHQ	One FM	0218W1825	2,500.00	2,800.00
Nautel XR6 AM Transmitter - KSRM				
BW Broadcast DSPX-AM - KSRM				
Tunwall TRC-2C Switch – KSRM				
The Wizard AM Modulation Analyzer – KSRM				
Kenwood Stereo - KKIS				
FM Day Sequerra Model M2A Mon Monitor				
Burk ARC Plus Touch – KSRM / KWHQ				
Inovonics RDS Encoder – KWHQ				
PF Termination 50 Ohms – KSRM				
HP Streaming Rack				
Dell HP Compaq (5) – Streaming Computers				
APC Smart UPS (7)				
Netgear Router				
Miniview KVM Switch				
HP ProLiant File Server – Office				
Sherwood Stereo (2)				
Inovonics AM Audio Processor	235	334	1,500.00	1,900.00
Inovonics AM Modulation Monitor	525	033	1,000.00	1,600.00
Orban-Optimod FM Audio Processor	81100A	647957	800.00	4,000.00
Sine Systems Relay Panel (2 each)	RP-8	-----	1,000.00	3,400.00
Utility Radio Tower-AM-284feet-guyed	-----	-----	50,000.00	78,000.00
Andrew AM Transmission Cable-Air Dielectric-330ft	-----	-----	1,000.00	4,000.00
Jampro FM Antenna Six Bay-2008	-----	-----		
Jampro FM Isocoupler-Tower Mount-2008	-----	-----		
Andrew FM Transmission Cable-Air Dielectric	-----	-----	2,000.00	5,000.00
Marti Remote Pickup Transmitter-100w-150Mhz	STL20C	-----	500.00	1,800.00
Marti Remote Pickup Receiver-150Mhz	-----	-----	300.00	1,800.00
Marti Remote Pickup Transmitter-100w-450Mhz	-----	RPT-25-S	500.00	1,800.00
Marti Remote Pickup Receiver-450Mhz	-----	690-488	300.00	1,800.00
Remote Pickup Antenna-VHF 150Mhz	-----	-----	200.00	600.00
Remote Pickup Antenna-UHF 450 Mhz	-----	-----	300.00	800.00
Shively STL Transmit Antenna-96.5Mhz-KKIS	-----	-----	800.00	2,000.00
Shively STL Transmit Antenna-1140Khz-KSLD	-----	-----	800.00	2,000.00
Telescoping Remote Antenna	-----	-----	1,800.00	2,200.00
ERI FM Transmit Antenna-98.3Mhz	100-2	-----	2,500.00	2,426.00
NICOM FM Receive Antenna	LOGFMP5	-----	350.00	350.00
Misc. Cables / Connectors / Fuses / Parts				
<u>Shed - Satellite and Computer Room</u>				
Videoquip SS-1 Satellite Switcher	SS-1	8621		
Videoquip SS-1 Satellite Switcher	SS-1	8622		
Videoquip SS-1 Satellite Switcher`	SS-1	8637		
Videoquip SS-1 Satellite Switcher	SS-1	8643		
Aural STL Transmitter	PCL-505	J4422BS	1,200.00	2,200.00
Marti STL Transmitter-Composite-KFSE	STL-20C	106420-1	500.00	
Marti STL Transmitter-Aural-KKIS	STL-10	4153	500.00	850.00
Marti STL Transmitter-Aural-KKIS	STL-10	4126	500.00	850.00
Moseley STL Transmitter-Aural-KSLD	PCL505	-----	1,500.00	2,000.00
CRL Systems Audio Processor	SEP-400B	8412229	200.00	700.00
SAGE-EAS ENDEC	1822	13661		
SAGE-EAS ENDEC	1822	13661		
PSI-Sine Systems Audio Control Unit	ACU-1	12581		
Omni One Multicast	0218W0057	0050C2490038		
Marti Remote Pickup Receiver	SR-40A	108388-2	800.00	1,800.00
Audio Science Audio Distributor(2 each)	BOB1024	-----		
RADIX Distribution Amplifier	DA-1600	9073		
Burk EAS Tester	-----	F3974	800.00	1,000.00
Burk EAS R AS Router	-----	7819	400.00	600.00
Elcom EBS Responder	-----	25	100.00	400.00
Sherwood Tuner	AM/FM	RX-4109	100.00	180.00
EDIMAX Display Switch	-----	44EO200133	50.00	100.00
APC Smart UPS	1400	WS964359693	2,200.00	2,500.00
Dell Optiplex Audio Servers 990 (5)				
Middle Atlantic Monitor				
Dell PowerEdge R720 File Server (2)				

Tripp-Lite UPS
 Comrex Access - KKNi
 Optimod 5700 – KKNi
 Dell Precision Tower 5810 – KKNi
 Broadcast Tools ACS 8.2 Plus (5)
 Broadcast Tools SS 2.1 111
 Mosley Aural STL Transmitter – KKNi
 Burk EAS
 Omnia Processor – KFSE
 XDS Satellite Receiver (5)
 Ipump 6420 Receiver
 Radix Audio Distribution
 Wizard For Windows Satellite (3)
 APC Backup Power
 Avaya Desk Phone
 Cisco Router
 Netgear Router
 Dlink Router
 Audiosceince BOB 1024 (7)
 4 office chairs
 Pop Up Tents (2)
 Inflatable Mascot
 Portable Sound System
 Filing Cabinets (4)
 KKNi Transmitters (2)
 Misc. Cables / Connectors / Fuses / Parts
 Equipment Racks-(6 each)

KSRM-AM Studio/Production Room

R55E On-Air Console	
Dell Computer	
Dell Monitor-flat screen	
Dell Monitor-flat screen	
Dell Monitor-flat screen-21inch	
(5) Electrovoice Microphone	RE320
(2) 528E Symetrix Processors	
(3) DBX Microphone Processor	286A
Dual Studio Speakers-Tuner-Amplifier	
Harris Headphone Amplifier	
Audioscience Breakout Box	
Trilight Battery Series Backup	
Comrex Six line Phone w/computer interface	
Air Tools Broadcast Audio Delay	
Audioarts Power Supply	
Avaya Phone	
Tannoy Speakers	
File Cabinet	
(5) Mic / Headphone Controls	
Custom desk	
(4) OC White Mic Boom	
Mika Mic Boom	
Misc. Cables, Parts	

KWHQ-FM Studio/Production Room

Audio Arts Engineering-On-Air Console	R55E	0811-73139		
Dell Computer Studio Server				
Dell Computer Studio Server				
Dell Monitor-Flat Screen 17inch	-----	-----		
Electro Voice Studio Microphone	RE27	-----		
Electro Voice Studio Microphone	RE27	-----		
O.C. White Microphone Boom/Shock Mounts	309A	-----		
Sennheiser Professional Earphones	HD-202	-----		
Stanton Compact Pro-Disc Player	C-402	-----		
ALESIS Audio Amplifier	RA150	-----		
Sherwood AM/FM Tuner Amplifier	RX-4109	-----		
Electro Voice Studio Speaker	Sentry 100A	170014797		
Electro Voice Studio Speaker	Sentry 100A	170014799		
APC 1250 for Server UPS Back-up power	-----	-----		
Cabinets/Desk large	Custom Made	-----	1,500.00	2,000.00
SLA1 Studio Linear Amplifier				
(4) Desk Chairs				

KKIS-FM Studio/Production Room

Audio Arts Engineering-On-Air Console	R55E	
Dell Computer Studio Server		
Dell Computer Studio Server		
Viewsonic Computer Monitor		
(2) Dell Monitor-Flat Screen 17inch		
Electro Voice Studio Microphone	RE320	-----
Electro Voice Studio Microphone	RE320	-----
Getner Phone System		
(2) O.C. White Microphone Boom/Shock Mounts	309A	-----
Sennheiser Professional Earphones	HD-202	-----
SLA1 Studio Linear Amplifier	-----	
Sherwood AM/FM Tuner Amplifier	RX-4109	-----
KRK R6 Studio Speakers		
APC 1250 for Server UPS Back-up power	-----	-----
Cabinets/Custom Desk		
Monitor Stand		
(2) Desk Chairs		

KSLD/Newsroom

Audio Arts Engineering-On-Air Console	R55E	0812-73465		
Audio Arts Power Supply	R55E			
Dell Computer				
Dell Control Room Computer-Server	-----	-----		
Computer Server		-----		
Dell Monitor-17" Flat Screen	-----	-----		
Dell Monitor-17" Flat Screen	-----	-----		
Dell Monitor-13" Flat Screen	-----	-----		
Sennheiser Earphones	HD202	-----		
Audio Science-Audio Distributor	-----	BOB1024		
Symetrix Audio Voice Processor	528E	-----		
Applied Research Studio Amplifier	SLA-1	-----		
Console Cabinet-9'x 5'	Custom Made	-----	1,800.00	\$2,500.00
Comrex Phone				
Marantz Digital Recorder	-----	-----	400.00	400.00
Furniture/Chairs	-----	-----	300.00	300.00
Equipment Rack				
Tannoy Speakers				

KKNI-FM Remote Site

Transmitter Building
 Orban 2200 Audio Processor
 Mosley Aural STL Receiver
 Burk Plus Connect
 RVR FM Exciter
 FM Modulation Monitor
 Rolls Pro Match Stereo Converter
 Rolls Pro Match Stereo Converter
 Rolls Pro Match Stereo Converter
 Comrex Access
 Nautel NV10 FM Transmitter
 Onan Transfer Switch
 Generator
 5 Bay FM Antenna
 1 Bay FM Translator Antenna
 Utility Tower
 Rayvoss Surge Protector
 Rack Mount Power Strip
 Rack Mount Power Strip
 Equipment Rack
 Misc. Cables & Parts

KKIS-FM / KSLD-AM Remote Site

Transmitter Building
 6 Bay FM Antenna
 (3) STL Antenna
 Misc. Cables, Fuses, Parts
 Echo-10 FM Transmitter
 Gates FAX 5KW Transmitter
 Gates FAX 150 FM Exciter

Burk Plus Connect
 Burk ACR Plus Touch
 Inovonics FM Modulation Monitor
 FM Exciter
 BW Broadcast FM Processor
 Andrew Line Dehydrator
 (5) Equipment Racks
 Belar Modulation Monitor
 Burk Remote Control
 Getner Remote Control
 Omina AM Processor
 Marti STL Receiver
 Burk Plus X
 Sherwood Stereo
 Nautel AM Transmitter

Sales Office & Copy Room

Dell Computer/17" Monitor/Keyboard/Mouse	-----	-----	300.00	400.00
Dell Computer/17" Monitor/Keyboard/Mouse	-----	-----	400.00	600.00
Dell Computer/17" Monitor/Keyboard/Mouse	Custom Made	-----	600.00	800.00
Dell Computer/13" Monitor/Keyboard/Mouse	-----	-----	400.00	600.00
Dell Computer/13" Monitor/Keyboard/Mouse	-----	-----	300.00	400.00
Computer DVD Monitor-Sales Presentation	-----	-----	100.00	300.00
Internet Computer/Keyboard	-----	-----	50.00	200.00
Metal Desks/Office tools-(3each)	-----	-----	400.00	600.00
Oak Desks/Office tools-(2each)	-----	-----	300.00	600.00
Metal file cabinets-(8each)	-----	-----	300.00	500.00
Oak Conference Table-Chairs-(6 each)	-----	-----	300.00	500.00
Office chairs (4each)	-----	-----	100.00	200.00
Soft Drink Dispenser	-----	-----	300.00	800.00
Business Hub Office Copy Machine	-----	-----	Leased Equipment	

Manager's Office-Conference Room

Dell Computer				
Avaya Desk Phone				
Wooden Office Desk and Cadenza				
Oak Conference Table-Round-chairs-(4each)	-----	-----	300.00	1,000.00
Leather Sofa	-----	-----	200.00	600.00
Fire Extinguishers on site-(12each)	-----	-----	800.00	1,800.00

Hallway

Culligan Water Cooler
 Hisense Mini Fridge
 Sharp Carousel Microwave
 Oster Toaster Oven
 Hamilton Beach Toaster
 Black & Decker Coffee Pot/Maker

File Room

(9) File Cabinets
 Toshiba Studio 2505 AC Copier Printer
 Bosten 2612 Paper Cutter
 White Board

Sales Office

Wooden Conference Table
 (5) Wooden Desks
 (9) Office Chairs
 Dewalt DC102 Radio
 (4) Dell Inspiron Desktop Computer
 (5) Avaya Desk Phone
 Vostro 400 Hard Drive Computer
 Standup Desk Lift
 Speakers
 (5) Filing Cabinets
 (2) White Board

Front Office

Onn Desktop Computer
 K120 Logitech Keyboard
 Fellows Computer Stand
 (2) Avaya Desk Phone

Comrex Phone
 (2) Office Desk
 (2) Desk Chair
 Logitech Mouse
 HP Computer
 HP Speakers
 Pitney Bowes Mail machine
 Couch
 Coffee Table
 Wooden Book Shelf
 (2) Idaptafile
 Toshiba printer/copier
 Dell Desktop Computer
 Logitech Wave Keyboard
 First Data Card Reader
 Bose Speakers
 Fellows Paper Shredder
 Dell Inspirion PC
 (2) Wooden File Cabinet
 Logitech Mouse
 Standup Desk

Sports Remote Broadcast Equipment

JK Audio Remote	MIX CT	-----	400.00	600.00
JK Audio Remote	MIX CT	-----	200.00	500.00
Zercom Two Channel Remote Phone Console	MAX-ZII	-----	100.00	300.00

PROMISSORY NOTE

\$800,000.00

Kenai, Alaska

FOR VALUE RECEIVED, the undersigned promise to pay to KSRM Inc. or its assigns, the principal sum of Eight Hundred Thousand Dollars (\$800,000.00) with interest thereon at the rate of 6.0% per annum beginning on the ____ day of _____, 20____. The said principal and interest shall be payable at such place as the holder hereof may designate in writing, in monthly payments of \$6,750.85 or more per month, including interest. The first such payment shall be due on the ____ day of _____, 20____ and successive payments shall be due on the first day of each month thereafter, until the entire sum, both principal and interest, is paid in full.

If default be made in the payment of this Note, Maker shall have thirty (30) days to cure said default. If the default is not cured in such time, the entire principal sum and accrued interest shall at once become due and payable at the option of the holder of this Note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. If any suit or action is instituted to collect this Note or any part thereof, the undersigned promise and agree to pay, in addition to the costs and disbursements provided by statute, a reasonable sum as attorney's fees in such suit or action.

The undersigned, whether principal, surety, guarantor, endorser, or other party hereto, agree to be jointly and severally bound, severally hereby waive any homestead or exemption right against said debt, waive demand, protest and nonpayment, and expressly agrees that this Note or any payment thereunder may be extended from time to time and consent to the acceptance of further security, including other types of security, all without in any way affecting the liability of such parties.

Maker may make additional payments toward the principal over the term of this Note and there are to be no penalties for lost interest, or prepayment penalties, for so doing. This Note is secured by a Security Agreement of even date herewith and a personal guarantee executed by Matthew A. Wilson, owner and President of KSRM Radio Group, Inc. This Note is to be construed according to the laws of the State of Alaska.

DATED: This ____ day of _____, 20____.

MAKER:

KSRM Radio Group, Inc.

By: _____
Matthew A. Wilson, President

{00170960;v2}

SECURITY AGREEMENT

The undersigned, KSRM Radio Group, Inc., hereinafter called Debtor, hereby grants unto KSRM Inc., hereinafter called Secured Party, a security interest in the Assets being transferred in that Asset Purchase Agreement dated _____ between the parties, as described more completely in Attachment A, with the exception that the parties agree that the FCC licenses will not be used as collateral.

All of said property is hereinafter referred to as the Assets, and it is located in the Kenai Recording District, Third Judicial District, State of Alaska.

This Security Agreement is given to secure the payment and performance of all indebtedness and obligations of Debtor to Secured Party presently existing and hereafter arising, direct or indirect, and interest thereon.

Debtor hereby represents, covenants and agrees with Secured Party as follows:

1. Use of Property of Debtor. Debtor agrees to comply with any governmental regulation affecting the use of the property and will not waste, injure nor destroy the property, nor use nor permit the use of the property in any unlawful manner. Debtor represents and agrees that the primary use of the property is and will be for radio broadcasting business purposes. The Debtor resides in the Kenai Recording District, Third Judicial District, State of Alaska.

2. Ownership and Liens. Debtor owns the property, and the same is free and clear of all other security interests and encumbrances. Debtor will not create nor permit the existence of any lien or security interest, other than the above referenced lien and that lien created hereby, on the property without the written consent of Secured Party. Any certificate of title now or hereafter existing on any of the property will be delivered to Secured Party and will recite the interest of Secured Party.

3. Taxes. Debtor will pay before delinquency all taxes or other governmental charges levied against the property, and will pay any tax which may be levied on any obligation secured hereby.

4. Repairs and Inspection. Debtor will keep the property in good repair. Secured Party may inspect the property at reasonable times and may for this purpose enter the premises upon which the property is located.

5. Insurance. Debtor will keep the property continuously insured by an insurer

approved by Secured Party against fire and other hazards designated at any time by Secured Party, in an amount equal to the full insurable value thereof, with such form of loss payable clause as designated by and in favor of Secured Party, and will deliver the policies and receipts showing payment of premiums to the Secured Party. In the event of loss, Secured Party shall have full power to collect any and all insurance upon the property, and to apply the same at its option to any obligation secured hereby, whether or not matured, or to the restoration or repair of the property. Secured Party shall have no liability whatsoever for any loss that may occur by reason of the omission or lack of coverage of any such insurance. Any such policy of insurance shall provide for thirty days' advance written notice to the Secured Party before the policy may be canceled.

6. Removal or Sale. Without the prior written consent of Secured Party, Debtor will not remove the property from the State of Alaska, and Debtor will not sell nor lease the property or any interest therein.

7. Expenses Incurred by Secured Party. Secured Party is not required to, but may at its option pay any tax, assessment, insurance premium, expense, repair or other charges payable by Debtor, and any filing or recording fees, and any amount so paid, with interest thereon at the maximum rate permitted by law from date of payment until repair, shall be secured hereby and shall be repayable by Debtor on demand. The rights granted by this paragraph are not a waiver of any other rights of Secured Party arising from breach of any of the covenants hereof by Debtor.

8. Waivers. This Security Agreement shall not be qualified or supplemented by course of dealing. No waiver or modification by Secured Party of any of the terms or conditions hereof shall be effective unless in writing, signed by Secured Party. No waiver nor indulgence by Secured Party shall constitute a waiver as to any subsequent required performance or other obligations of Debtor hereunder.

9. Default. Time is of the essence in this Security Agreement, and in any of the following events, hereinafter called "Events of Default", to-wit:

(a) Any failure to pay when due the full amount of any payment of principal, interest, taxes, insurance premiums or other charges which are or may be secured hereby; or

(b) Any failure to perform as required by any covenant or agreement herein; or

(c) The falsity of any representation by Debtor made herein or in any credit application or financial statement given by Debtor to Secured Party as a basis for any extension of credit secured hereby; or

(d) If the property should be seized or levied upon under any legal or governmental process against Debtor or against the property; or

(e) If Debtor becomes insolvent or is the subject of a petition in bankruptcy, either voluntary or involuntary, or in any other proceeding under the federal bankruptcy laws; or makes an assignment for the benefit of creditors; or if Debtor is named in or the property is subjected to a suit for the appointment of a receiver; or

(f) Loss, substantial damage to, or destruction of any portion of the property; or

(g) Entry of any judgment against Debtor; or

(h) Dissolution or liquidation of Debtor; or

(i) The Secured Party deems itself insecure;

then, and in any of such events of default, the entire amount of indebtedness secured hereby shall then or at any time thereafter, at the option of Secured Party, become immediately due and payable without notice or demand, and Secured Party shall have an immediate right to pursue the remedies set forth in this Security Agreement.

10. Remedies. In the event of a default hereunder, Secured Party shall have all remedies provided by law; and without limiting the generality of the foregoing, shall be entitled as follows:

(a) Debtor agrees to put Secured Party in possession of the property on demand; and

(b) Secured Party is authorized to enter in the premises where the property is situated and to take possession of said property without notice or demand and without legal proceedings; and

(c) Debtor agrees that a period of five days from the time notice is sent by first-class mail or otherwise, shall be a reasonable period of notification of a sale or other disposition of the property; and

(d) Debtor agrees that any notice or other communication by Secured Party to Debtor shall be sent to the mailing address of the Debtor stated herein; and

(e) Debtor agrees to pay on demand the amount of all expenses reasonably incurred by Secured Party in protecting or realizing on the property. In the event that this Security Agreement or any obligation secured by it is referred to an attorney for protecting or defending the priority of Secured Party's interest or for collection or realization procedures, Debtor agrees to pay a reasonable attorney's fee, including fees incurred in both trial and appellate courts, or fees incurred without suit, and expenses of title search and all court costs and costs of public officials. The sums agreed to be

paid in this subparagraph shall be secured hereby.

(f) If Secured Party disposes of the property, Debtor agrees to pay any deficiency remaining after application of the net proceeds to any indebtedness secured hereby.

DATED: This _____ day of _____, 20_____.

DEBTOR:

KSRM Radio Group, Inc.

By: _____
Matthew A. Wilson, President

SECURED PARTY:

KSRM Inc.

By: _____
John C. Davis, President

ATTACHMENT A - "ASSETS"

Transmitter Room & Tower	Model Number	Serial Number	Current Value	Original Cost
<u>KFSE-FM Studio</u>				
Audio Arts Engineering-On-Air Console	R55E			
Dell Computer-On-Air Control				
Dell Computer Server				
Dell Monitor-17" Flat Screen Color/Keyboard				
Dell Monitor-17" Flat Screen Color/Keyboard				
Dell Monitor-13" Flat Screen Color/Keyboard				
Dell Monitor-13" Flat Screen Color/Keyboard				
Symetrix Voice Processor	528E	-----		
Stanton Dual Pro-CD Player	C-500	-----		
ALESIS Stereo Speakers (2each)	620-MIActive-Wall Mount			
TELOS Multicast Studio Phone System	Omnia-1	-----	2,300.00	2,300.00
Marantz Compact Digital Recorder	PMD660	-----	650.00	-----
Marantz Mobile Cassette Recorder	PMD101	-----	300.00	-----
TASCAM Portable Digital Recorder	DR-07	0173333	300.00	-----
CD Production Music (500 each)	-----	-----	5,000.00	-----
Console Cabinet (4'x8') Misc.Cabinets	-----	-----	2,000.00	-----
Furniture/Chairs	-----	-----	200.00	-----
Sherwood Stereo				
Avaya Phone				
Custom Desk				
Book Shelf				
<u>KFSE-FM Remote Site</u>				
Building for Transmitter and Equipment-12'x8'x10''	-----	-----	20,000.00	20,000.00
Energy-Onix FM Transmitter	Echo 10	-----	34,000.00	34,000.00
Energy-Onix Single Phase Power Supply/Surge Protect	-----	-----	6,000.00	6,000.00
Rohn Radio Tower	#80 – 120'	-----	45,000.00	45,000.00
Jampro FM Antenna-Six Bay	-----	-----	13,500.00	13,500.00
Andrew FM Transmission Line-Rods-Fittings	-----	-----	2,000.00	2,000.00
Marti STL Receiver-Composite	STL-20C	-----	2,800.00	2,800.00
Marti STL Antenna/mounting-(2each)	SC-48	-----	1,800.00	1,800.00
Kintronics Isocoupler	-----	-----	5,500.00	5,500.00
Omnia Audio Processor	-----	-----	2,600.00	2,600.00
Inovonics FM Modulation Monitor	-----	-----	2,400.00	2,400.00
Inovonics SCA	53100	-----	1,200.00	1,200.00
Andrew Transmission Line Dehydrator	-----	-----	1,800.00	1,800.00
Chain Link Fence-Tower Protection	-----	-----	3,500.00	3,500.00
Gates FAX 3K FM Transmitter				
Broadcast Tools WVRC-8				
Fostex RM-1 Stereo Rack				
Burk Plus X 600				
Burk ARC Plus Touch				
BEXT LDR STL Aural Receiver				
Burk Plus Connect				
5 Port Router				

PERSONAL GUARANTY

The undersigned, Matthew A. Wilson, an individual whose mailing address for all purposes herein is 34462 Matanuska St. Soldotna, AK 99669 (herein referred to as "Guarantor"), does absolutely, unconditionally, and without limit guaranty the timely payment of the indebtedness and obligations undertaken by the corporation known as KSRM Radio Group, Inc., whose mailing address for all purposes herein is 40960 Kalifornsky Beach Rd., Soldotna, Alaska 99669 (herein referred to as "Obligee"), for the extension of credit memorialized in that certain promissory note executed on even date herewith in favor of KSRM Inc. as well as any other obligations or advancements incurred as a result of said extension of credit, together with interest, costs of collection, and reasonable attorney's fees in the event of material default. In guarantying such obligations, the undersigned agrees that should material default occur in the payment of any installment of the promissory note executed of even date herewith, then Obligee may proceed directly against the undersigned without the need to first proceed against Obligor and without the need to seek contribution or apportionment of recovery from any other obligor, guarantors, or parties to the subject obligation.

For purposes of this agreement, an act of default which justifies proceeding by Obligee on this guaranty shall include, but not be limited to, any failure of Obligor to timely pay, in full, the promissory note to which reference is made herein.

The undersigned further agrees that Obligee shall have no requirement for notice or presentment, nor shall it have any requirement to obtain a judgment or to initiate an action against Obligor before proceeding on this guaranty. The undersigned specifically waives presentment and demand for payment, protest, notice of protest, and notice of dishonor or nonpayment of any instrument evidencing the indebtedness of Obligor; any right to require suit against Obligor or any other party before enforcing the instant guaranty, and any right to have security applied before enforcing this guaranty.

The undersigned, as guarantor, does hereby consent and agree that renewals and extensions of time of payment, surrender, release, exchange, substitution, dealing with or the taking of additional collateral security, the taking or release of other guaranties, the abstention from taking advantage of or realizing upon any collateral, security, or other guaranties, and any and all other forbearances or indulgences granted by Obligee to Obligor or any other party, may be made, granted, and effected by Obligee without notice to guarantors and without in any manner affecting the liability of guarantors under this guaranty.

By this guaranty, the undersigned waives and releases all right to require an election of remedies and agrees that Obligee may proceed at its discretion against this guaranty, against other guarantors, if any, and may utilize any combination of remedies that Obligee may deem appropriate in order to realize upon the obligation.

Notary Public in and for the State of Alaska
My Commission Expires:

ASSIGNMENT OF HANSEN LEASE

This Assignment of Hansen Lease ("Assignment") is entered into by and between KSRM Inc. Davis Family Trust, John Davis Trustee (Assignor") and KSRM RADIO GROUP, INC. and its owner, Matthew A. Wilson ("Assignee").

Recitals

WHEREAS, by a certain lease dated October 1, 2015 (the "Lease"), Jeppe F. Hansen Sr. and Martha J. Hansen, a married couple whose address is 30793 Echo Lake Rd. Soldotna, AK 99669 ("Landlord") leased to Assignor, as tenant for the purposes of maintaining a radio tower, the following described premises:

Tract 25 of Leonard Creary subdivision, 1978 Addition, according to the plat filed July 21, 1978 as Instrument No. 78-127, Records of the Kenai Recording District (the "Premises"); and

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to assume, all of Assignor's rights and obligations as tenant under the Lease, with the consent of Landlord.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration received, and with the intent to be legally bound, the parties agree as follows:

Agreement

1. Assignor hereby assigns the Lease and all of its right, title and interest thereunder to Assignee. Assignee hereby accepts such assignment. Assignee shall have all of the rights of Assignor under the Lease including, without limitation, any option to renew or extend the Lease, option to purchase the Premises and right to the security deposit now held by Landlord, should any of the foregoing exist.
2. Assignee hereby assumes and agrees to be bound by all of Assignor's obligations under the Lease. Assignee shall perform all the terms, covenants and conditions of the Lease, including the payment of rent and any other required amounts to Landlord, after the date hereof.
3. Assignee shall indemnify and hold Assignor harmless from any and all claims, damages, expenses and liabilities of whatever nature, including attorney's fees, arising under the Lease or relating to the Premises after the date hereof.
4. Assignee shall not assign the Lease any further or sublet all or any portion of the Premises without the prior written consent of Landlord.
5. Except as specifically modified herein, the Lease will continue in full force and effect.

6. This Assignment shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

CONSENT OF LANDLORD

Landlord hereby consents to the above Assignment and releases Assignor from all obligations and liabilities arising under the Lease after the date hereof.

IN WITNESS WHEREOF, this Assignment is executed by the parties on this _____ day of _____, 20____.

ASSIGNOR

KSRM, INC.

Davis Family Trust
Trustee John C. Davis

By: _____
John C. Davis, President

LANDLORD

**JEPPE F. HANSEN SR. &
MARTHA J. HANSEN**

Jeppe F. Hansen, Sr.

ASSIGNEE

KSRM RADIO GROUP, INC.

By: _____
Matt Wilson, President

Martha J. Hansen