

ESCROW AGREEMENT

This ESCROW AGREEMENT ("Agreement") is made and entered into as of this 17th day of February, 2023, by and between KXLE, INC., a Washington corporation ("Seller") and ELLENSBURG RADIO BROADCASTING, LLC, a Washington limited liability company ("Buyer"). The parties hereto shall be known as the Parties in the plural or a Party in the singular.

WITNESSETH:

WHEREAS, Seller and Buyer have entered into an Asset Purchase Agreement ("Purchase Agreement") of even date herewith, for the sale of the following radio broadcast stations (the "Stations") licensed by the Federal Communications Commission (the "FCC" or "Commission"):

- (a) KXLE-AM, Ellensburg, WA: FAC ID# 35958; and
- (b) KXLE-FM, Ellensburg, WA: FAC ID# 35957

WHEREAS, pursuant to the Purchase Agreement, a cash deposit of Twenty-Five Thousand Dollars (\$25,000.00) (the "Escrow Deposit") has been placed in the client trust fund account with the law firm of Hawkins Law, PLLC, Walla Walla, Washington (as "Escrow Agent"), which has agreed to serve as a stakeholder to the benefit of the Parties. Upon the execution of the Purchase Agreement and a filing of an Assignment Application requesting FCC approval of an assignment of the Stations' FCC Licenses from Seller to Buyer, the Escrow Deposit shall be held to the benefit of the Parties until such time that the Parties provide written instructions to Escrow Agent for the disposition of the Escrow Deposit.

WHEREAS, Escrow Agent has agreed to hold, and disburse the Escrow Deposit, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained in the Purchase Agreement and in this Escrow Agreement, the Parties agree as follows:

1. Pursuant to the terms of the Purchase Agreement, the Escrow Deposit shall be held in Escrow Agent's client trust fund (IOLTA) account. Consistent with Washington rules regarding such IOLTA accounts, any interest accrued while Escrow Agent holds the Escrow Deposit will accrue to the benefit of the Legal Foundation of Washington (and shall not be disbursed to Seller or Buyer).

2. Escrow Agent shall deliver the Escrow Deposit upon receipt of written notification executed jointly by Buyer and Seller as directed. The Parties agree that the Escrow Deposit shall be held by Escrow Agent until the Closing Date as defined in the Purchase Agreement or until the occurrence of an event provided in this Agreement. Upon the delivery of any or all of the Escrow Deposit via cashier's check or wired funds, the costs associated with the generation of the cashier's check or the cost of the wiring shall be borne by the Party (Buyer or Seller) to receive such payment.

(a) In the event the transaction closes in the manner contemplated in the Purchase Agreement, the principal of the Escrow Deposit shall be paid over to Seller at the Closing Date in accord with the Purchase Agreement.

(b) In the event the transaction does not close due to the material breach by or default of Buyer under the terms of the Purchase Agreement, and Seller is not in material default or breach and all conditions precedent to Buyer's obligation to close have been satisfied, the Escrow Deposit shall be paid over to Seller.

(c) In the event the transaction does not close due to the material breach by or default of Seller under the terms of the Purchase Agreement and Buyer is not in material default or breach, then the principal of the Escrow Deposit shall be paid over to Buyer.

(d) In the event the transaction does not close within nine (9) months from the date of acceptance for filing of the Assignment Application, either Buyer or Seller may at its option, give notice of termination of the Purchase Agreement to the other, provided the terminating Party is not in material breach or default under the Purchase Agreement. If Buyer is not in material breach or default, the Escrow Deposit shall be returned to Buyer upon written demand without any further liability of either Party to the other.

(e) In the event Buyer cancels the transaction at any time subsequent to the execution by Buyer and Seller of the Purchase Agreement and the filing of the Assignment Application with the FCC, but prior to or upon FCC approval, and Seller is not in default or breach of the Purchase Agreement, and the proposed transaction has not been canceled due to the lapse of time described in Paragraph 2(d) above, the principal of the Escrow Deposit shall be paid over to Seller.

(f) In the event the transaction does not close due to an FCC denial of the Assignment Application for reasons other than Buyer's lack of qualifications to become an FCC licensee or the FCC's failure to approve the assignment of the FCC Licenses from Seller to Buyer, the principal of the Escrow Deposit shall be returned to Buyer upon written demand without any further liability of either Party to the other.

(g) If any provision of Sub-sections 2(a) through 2(f) above with respect to the disposition of the Escrow Deposit is in conflict with any provision of the Purchase Agreement with respect to such disposition, then such provision in the Purchase Agreement shall control.

3. The undersigned agree that the following provisions shall control with respect to the rights, duties, liabilities, privileges, and immunities of Escrow Agent:

(a) Escrow Agent shall not be bound in any way to the Purchase Agreement or any other agreement or contract out of which this Agreement may arise (whether or not Escrow Agent has knowledge thereof).

(b) Escrow Agent serves as a depository only and is not responsible or liable in any matter or validity of the subject matter of this Agreement, or any part thereof, or for the form of execution thereof, or for the identity or authority of any person executing or depositing it.

(c) In the event there is a dispute or disagreement by and between the Buyer and Seller regarding the disbursement of the Escrow Deposit, and no written instructions regarding disbursement of the Escrow Deposit have been provided to Escrow Agent, then Escrow Agent shall continue to hold the Escrow Deposit until there is a final judgement or arbitration decision directing disbursement of the Escrow Deposit, subject to the terms of Sub-sections 3(e) and 3(g) herein.

(d) If Seller is unsuccessful in any arbitration or litigation relating to the Escrow Deposit or any portion thereof, then the fees and expenses of Escrow Agent in connection therewith shall be paid by Seller, but if Buyer is the unsuccessful Party, then Buyer will bear the fees and expenses of Escrow Agent in connection therewith.

(e) Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of such resignation to Buyer and Seller specifying the date when such resignation shall take effect. Upon such notice, a successor stakeholder shall be appointed with the consent of both Buyer and Seller and the service of such successor stakeholder shall be effective as of the date of resignation specified in the notice, which date shall not be less than thirty (30) days after the giving of such notice.

(f) Escrow Agent undertakes to perform only such duties as are specifically set forth herein and may rely and shall be protected in acting or refraining from acting on any written notice, instrument, or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so.

(g) In the event there is a dispute or disagreement by and between the Buyer and Seller on the disbursement of the Escrow Deposit, Escrow Agent may, at its option and in accordance with applicable law, cause to be filed an action, bill, or interpleader, or similar action for such purpose, in a court of competent jurisdiction, and upon court approval pay the Escrow Deposit and all income earned or accrued thereon, less any fees and expenses associated therewith to include legal fees associated with the preparation of the filing, into said court, in which event, Escrow Agent's duties, responsibilities, and liabilities with respect to the Escrow Deposit, the proceeds, and this Agreement shall terminate.

(h) Buyer and Seller each agree, jointly and severally, to indemnify, defend, hold harmless, pay or reimburse Escrow Agent and its affiliates and their respective successors, assigns, directors, agents and employees (the "Indemnitees") from and against any and all losses, damages, claims, liabilities, penalties, settlements, litigation, investigations, costs, or expenses (including without limitation, the fees and expenses of outside counsel and experts and their staffs and all expense of document location, duplication and shipment) (collectively "Losses") arising out of or in connection with Escrow Agent's performance as a stakeholder, except to the extent that such Losses are determined by a court of competent jurisdiction through a final order to have been caused by the gross negligence, willful misconduct, or fraud of such Indemnitee. The obligations set forth in this Sub-section 3(h) shall survive the resignation, termination, replacement or removal of Escrow Agent or the termination of this Agreement. If any of the Escrow Deposit or funds deposited that may be deposited in connection with this Agreement shall be attached, garnished, levied upon, or otherwise be subject to any court order, or the delivery thereof shall be

stayed or enjoined by an order of a court, Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all such orders to entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that Escrow Agent obeys or complies with any such order it shall not be liable to the Seller or the Buyer or to any other person by reason of such compliance notwithstanding such order be subsequently reversed, modified, annulled, set aside or vacated.

4. All notices, requests, demands, and other communications hereunder shall be in writing, shall be given simultaneously to all parties hereunder and shall be deemed to have been given if delivered by hand, mailed (certified mail, postage pre-paid, return receipt requested), recognized overnight courier, or sent via facsimile as follows or to any other party or address as the parties may from time to time designate in writing:

:

(a) If to Seller:

Mr. Brad Tacher, President
KXLE, Inc.
3840 Naneum Road
Ellensburg, WA 98926
brad@kxle.com

With a copy to:

Ms. Mary A. Tacher
KXLE, Inc.
101 101st Ave., S.E. #B-201
Bellevue, WA 98004
mary@tacher.com

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

Mr. Christopher P. Frost
Attorney at Law
11120 N.E. 2nd St.
Ste. 100
Bellevue, WA 98004
cpf7627@aol.com

(b) If to Buyer:

Mr. Greg Smith
Ellensburg Radio Broadcasting, LLC
121 Powder Cap Ct.
Cle Elum, WA 98922
gsmith0605@msn.com

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

Mr. Greg Smith
Ellensburg Radio Broadcasting, LLC
P.O. Box 26487
Prescott Valley, AZ 86312-6487
gsmith0605@msn.com

(c) If to Escrow Agent

Mr. Jared N. Hawkins, Attorney at Law
Hawkins Law, PLLC
2225 Isaacs, Suite A
Walla Walla, WA 99362
(509) 529-5175
jared@hawklaw.biz

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

6. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument.

7. Any controversy, dispute, or claim, arising out of this Escrow Agreement, including its formation and performance, shall be settled by binding arbitration within Kittitas County, Washington, by and in accordance with the Judicial Arbitration and Mediation Services. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. The arbitrator(s) shall apply and resolve the matter pursuant to current Washington law, and the prevailing Party shall be entitled to such attorney fees and costs as may be reasonably incurred.

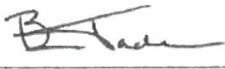
8. This Agreement may be amended by mutual consent of the parties, but only by a written instrument duly signed by the parties to the Purchase Agreement.

9. This Agreement shall automatically terminate upon the distribution of the Escrow Deposit in accordance with the terms hereof.

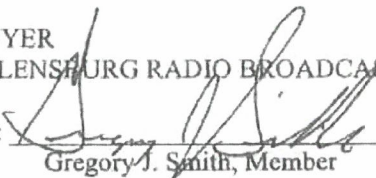
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IN WITNESS WHEREOF, the Parties have executed this Escrow Agreement on the day and year first above written.

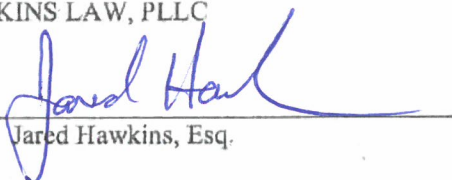
SELLER
KXLE, INC.

By: 
Brad Tacher, President

BUYER
ELLENBURG RADIO BROADCASTING, LLC

By: 
Gregory J. Smith, Member

ESCROW AGENT
HAWKINS LAW, PLLC

BY: 
Jared Hawkins, Esq.