

EXHIBIT 2

1. ASSET PURCHASE AND SALE AGREEMENT
2. LOCAL MANAGEMENT AGREEMENT

ASSET PURCHASE AND SALE AGREEMENT
(KUNC)

This Asset Purchase and Sale Agreement (the "Agreement") is executed this 2^d day of April, 2001, by and between **THE STATE OF COLORADO ACTING BY AND THROUGH THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTHERN COLORADO**, a university established pursuant to C.R.S. §23-40-101 *et seq.* (the "Seller" or "University") and **COMMUNITY RADIO FOR NORTHERN COLORADO**, a Colorado non-profit corporation (herein "Buyer" or "Community Radio"). This Agreement is based in part upon the following facts and circumstances:

A. University is the holder of a license issued by the Federal Communications Commission ("FCC" or "Commission") for the operation of FM Broadcast Station KUNC, in Greeley, Colorado, which operates on the frequency 91.5 MHz, and

B. Such broadcast station has certain translators, rights of transmission, licenses, construction permits, and other authorizations issued by the FCC together with broadcasting equipment, office equipment, and certain other tangible and intangible personal property and rights to utilize real property, all of which are collectively referred to herein as the "Station" or the "Assets", and as further defined herein, and

C. The University has determined that it is in its best interest, and in the best of interests of its educational mission, to sell to Buyer the Station, together with the Assets, and all other related rights of every kind and nature utilized in the operation of the Station, as more fully defined herein, and

D. The parties wish to memorialize and set forth their agreement with regard to the transfer described herein.

NOW, THEREFORE, in consideration of the mutual promises, agreements and covenants set forth herein, the parties hereto bargain and agree as follows:

(1) **Recitals**. The above and foregoing background recitals are incorporated herein by reference as though fully set forth.

(2) **Base Purchase Price and Terms**. The base purchase price shall be One Million Four Hundred Five Thousand Dollars (\$1,405,000.00) payable in US dollars as follows:

(a) **Earnest Money**. The earnest money in the form of a check in the amount of One Hundred Thousand Dollars (\$100,000.00) shall be payable simultaneously with the execution of the Agreement, or within five days thereafter. Such amount shall apply to the purchase price. The earnest money deposit is non-refundable except in case of default by Seller in performance of its obligations herein.

(b) **Balance**. The balance of the purchase price One Million Three Hundred Five Thousand Dollars (\$1,305,000.00) shall be deposited in an interest-bearing account at The Community Foundation Serving Greeley and Weld County on the date this Agreement is executed, withdrawal of funds from which will require signature of an authorized representative of Seller, the proceeds of which, including interest, will be paid to Seller at closing.

(3) **Additional Consideration**.

(a) As additional consideration, the Buyer shall at closing contribute not less than Five Hundred Ten Thousand Dollars (\$510,000.00) to the University of Northern Colorado Foundation as provided in paragraph 12 below.

(b) For a period of three years after closing, Buyer shall also provide the following services to the University:

(i) Continue to publicize University activities through use of public service announcements. UNC activities will continue to receive a high priority and be labeled as priority public service announcements, as appropriate. No fewer than 900 announcements will be made annually.

(ii) Agree to provide in-kind support of \$16,000.00 to underwrite announcements for the University on an annual basis. Announcements will be priced at market value and programmed on run of schedule basis, as available.

(iii) Make available KUNC audio production studio, engineering support and on-air talent for a maximum of 10 hours per month for University production needs.

(iv) Make available KUNC audio production studio, engineering support and use of ISDN line to University personnel a maximum of 10 hours per month.

(v) KUNC staff agrees to continue to serve as guest lecturers at UNC classes as requested by UNC faculty.

(vi) Continuation of station tradition of offering internship, independent study and employment opportunities to UNC students.

(vii) Monthly UNC concert hour.

(viii) Use of KUNC as University "hold" music, including access to an appropriate receiver.

(4) **Assets to be Transferred at Closing.** For purposes hereof, the Station and all Assets as defined herein, shall be transferred and conveyed to Buyer at Closing as provided herein.

(5) **Definitions.** Unless otherwise stated in the Agreement, the following terms shall have the following meanings:

(a) "Station" means the licenses, permits and authorizations issued by the FCC and any other governmental entity or agency together with all tangible and intangible personal property, real property, leases, rights, rights-of-way, and including, without limitation, rights to broadcast, rights to transmit, translators, transmitters, tower rights and all other property of every kind and nature used in the operation of FM broadcast station KUNC, Greeley, Colorado, as more fully described in Schedule 5(a) attached hereto and incorporated herein by reference.

(b) "Assets" shall mean the Station, the transmitter(s), the antenna(s), studio transmitter link ("STL") and all other physical assets and equipment, leasehold improvements, program production materials, donor lists, goodwill, station logs, business records, the call letters, "KUNC", fixtures and improvements, inventory of disks, office equipment (except office equipment outside of Rooms 2009 and 2014, Carter Hall), the Current Foundation Funds and Foundation Endowment Fund.

(c) "Assignment Application" means the assignment application that University and Buyer will file with the FCC requesting consent to the assignment of the license(s) to Buyer.

(d) "Closing" means the fifth business day following the date of the Commission's consent to the grant of the Assignment Application has become a final Order or such earlier or later time as the parties mutually agree in writing.

(e) "Closing Place" shall mean the Board of Trustee's conference room at the University of Northern Colorado, fourth floor, Carter Hall, or such other place as the parties may mutually agree in writing.

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

(g) "Ordinary Course of Business" means the usual and customary course of operations and business of KUNC, based upon past practice, and includes, without limitation, maintenance of the current staff without unscheduled salary adjustments, and without employee terminations or new hires, unless such have been specifically approved in writing by Buyer, and including the providing of in-kind support by University as provided herein. The ordinary course of business shall not vary in any material respect from the operations of the Station and the management thereof that has occurred in the seven months preceding the date hereof, except as otherwise provided herein.

(h) "Foundation Endowment Fund" shall mean all cash, funds, portfolio(s) or other corpus or principal and interest held by University of Northern Colorado Foundation, Inc., a Colorado nonprofit corporation ("UNC Foundation"), pursuant to the KUNC Quasi-Endowment Fund Agreement dated December 21, 1998.

(i) "Current Foundation Funds" means any and all deposits, investments, cash, cash equivalents and/or portfolio(s) held by the UNC Foundation or the University for the benefit of KUNC other than the Foundation Endowment Fund.

(6) Representations and Warranties of University. Seller represents and warrants to Buyer that:

(a) **Authority.** University has full power and authority to enter into the Agreement and to perform its obligations thereunder. All necessary action to approve the execution, delivery and performance of the Agreement and the fulfillment of the transactions set forth herein has or will have been taken by University by Closing.

(b) **Title to Assets.** The Assets are used in the operation of the stations and University has good title to the same, free and clear of all security interests, liens and encumbrances.

(c) **Licenses.** University is the holder of the licenses listed on Schedule "5(a)" and the same constitute all the licenses and authorizations required for and historically used in the operation of the Station.

(d) **Operations.** From the date hereof to Closing, the Seller will operate the Station in the ordinary course of Business and it will not incur debt or obligations which would encumber any of the Assets being transferred hereunder without the written consent of Buyer.

(7) **Representations and Warranties by Buyer.** Buyer represents and warrants to University that:

(a) **Entity.** Buyer is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Colorado and at Closing will be qualified to do business in the State of Colorado. Buyer has all necessary corporate power and authority to enter into this contract and to perform the same.

(b) **Authority.** All necessary corporate action to approve the execution, delivery and performance of the Agreement and the fulfillment of the transactions contemplated hereby has been taken by Buyer, and the Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms. Buyer will deliver at Closing certificates of corporate instruments memorializing its corporate power and authority to enter into and perform the Agreement and the transactions contemplated hereunder.

(c) **FCC Qualified.** Buyer is legally and financially qualified to be the assignee of the Licenses hereunder and is not engaged in any proceedings with the FCC which would prevent the assignment of the licenses hereunder nor is it aware of any claim which would result in such a proceeding or would prevent the sale contemplated hereby.

(d) **No Litigation.** No litigation, suit or judgment is entered or pending against Buyer, to the knowledge of Buyer, nor is any threatened.

(e) **Bankruptcy.** No insolvency proceeding is pending or to the knowledge of Buyer, threatened.

(f) **No Violation of Agreements.** The execution, delivery and fulfillment of the Agreement by Buyer do not conflict with, or result in a breach of, the terms or conditions or provisions of, or constitute a default under its Articles, Incorporation or Bylaws or any other agreements, instruments, laws or regulations to which it is subject.

(g) **Interim Operations.** The Agreement shall not be consummated until after the Commission has given its written consent and approval to the Application. Between the date of the Agreement and the Closing, Buyer and its employees or agents, shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Station, and such operation shall be the sole responsibility and in the complete discretion of University, subject to this Agreement, and such operations will be similar to current operations in style, programming, content and format.

(8) **Application for FCC Approval.** The parties shall use their best efforts to file the Application with the Commission as soon as practicable, but in no event later than 10 business days after the date hereof. The parties will take all steps as may be necessary or proper to expeditiously and diligently prosecute the Assignment Application to a favorable conclusion. Each party shall bear its own expenses in connection with the applicable sections of the Assignment Application and in connection with the prosecution thereof.

(9) **Time for Commission Consent.** In the event that the grant of the Assignment Application by the FCC has not become a Final Order within 12 months after the Assignment Application is filed, either party may thereafter terminate this Agreement upon five days' written notice to the other party; provided, however, that if the party desiring to terminate the Agreement is, or has been, in material breach hereunder and such default has delayed FCC action on the Assignment Application, then such

defaulting party may not terminate the Agreement under this section. In the event of a termination of the Agreement pursuant to this section, each party shall be released from liability hereunder, except for liability for any breaches of the Agreement by a party prior to such termination which was a cause, in whole or in part, of the failure of the Assignment Application to be granted.

(10) **Risk of Loss.** The risk of loss or damage to any of the Assets or the Station from fire or other casualty or cause shall be upon the Seller up to the end of the day of Closing, and it shall be the responsibility of Seller to repair or cause the same to be repaired or restored as closely as practicable to the condition of the Assets and Station prior to any such loss or damage. In the event that any loss or damage exceeds the total of Fifty Thousand Dollars (\$50,000.00), in the aggregate, Buyer shall be notified concerning the same and such notice shall provide information relating to the loss or damage incurred, the cause thereof, if known, or reasonably ascertainable, and the insurance coverage, if any. If the property is not completely repaired, replaced or restored on or before Closing, Buyer at its option, may (a) postpone the Closing until such time as the property has been repaired, replaced or restored as closely as practicable to its former condition, and, if necessary, the parties shall join in an application or applications requesting the Commission to extend the effective date of its consent to the Assignment Application; (b) consummate the Closing and accept the property in its then condition, in which event Seller shall assign to Buyer all proceeds of insurance, and/or claims for liability recovery, covering the property involved, or (c) terminate this Agreement and declare it of no further force and effect, if such repairs, replacements or restorations are not completed within 60 days after the original closing date specified hereinabove.

(11) **Interim Operations.** The parties agree that between the time of the execution of the Agreement and Closing, Seller shall not incur any financial loss for the operation of the Station, or related operations. The parties will enter into a Local Management Agreement ("LMA") which will determine the respective rights and responsibilities of the parties for operation of the Station prior to Closing. The parties agree that to cover the operating costs of the Station during such period, the Current Foundation Funds shall be utilized, until exhausted. From the date that such fund is exhausted until the Closing, Buyer shall pay and reimburse Seller for all operating expenses of every kind and nature, except to the extent of the 2000-2001 fiscal year commitment for in-kind services which shall continue to and until earlier of Closing or June 30, 2001. Reimbursement may be funded in part by withdrawals from Current Foundation Funds and/or Foundation Endowment Fund (provided that such withdrawals shall not reduce the minimum payment of Five Hundred Ten Thousand Dollars (\$510,000.00) provided for in paragraph (12). At closing all employees of Seller operating the Station shall terminate their employment with Seller and shall immediately thereafter become at-will employees of Buyer.

(12) **Foundation Endowment Fund.** Included in the Assets of the Station, is a quasi-endowment fund established for the benefit of the Station at the University of Northern Colorado Foundation, Inc. At Closing, Buyer will make a donation to UNC Foundation, Inc., in the same amount received by Buyer from such Foundation for the balance of the Foundation Endowment Fund as of the day of Closing, with such payment to be made at Closing. Such Foundation Endowment Fund balance shall be transferred to Buyer, free from restrictions as to use. The balance of the Fund will be determined as of March 31, 2001, plus interest at the money market rate until Closing.

The contribution by Community Radio will be not less than Five Hundred Ten Thousand Dollars (\$510,000.00), regardless of the balance in such funds as of the date of Closing.

(13) **Closing.** Closing will be held at 2:00 p.m. at the Place of Closing, unless the parties otherwise mutually agree.

(a) At Closing, Seller shall execute and deliver the following to Buyer, in form reasonably satisfactory to Buyer.

(i) An Assignment assigning to Buyer the licenses;

(ii) Bills of Sale to all tangible assets; and

(iii) Assignments of all other assets and interest being transferred pursuant to the Agreement, including the balance of the Current Foundation Funds and the Foundation Endowment Fund.

(b) At Closing, Buyer shall (i) obtain appropriate signatures to transfer good funds to Seller pursuant to paragraph (2)(b), and (ii) pay good funds to the UNC Foundation, Inc., the amount established in paragraph (12).

(c) The parties will execute such other documents or other instruments as are necessary to complete and close the transactions described in this Agreement.

(14) **Broadcast Transmission of Stations Prior to Closing Date.** If, prior to the Closing date, any event occurs which prevents the regular broadcast transmission of the stations in the normal and usual manner in which it has heretofore been operating, for a period of 72 continuous hours or more, Seller shall give prompt written notice thereof to Buyer. Buyer shall be entitled, by giving written notice to Seller, to terminate the Agreement forthwith and without any further obligation hereunder, if the station's facilities are not restored so that normal and usual transmissions are resumed at the earlier of (i) 30 calendar days after such event, or (ii) the date of Closing, provided that in such event the date of Closing shall be postponed for a period of up to 30 days to permit such normal and usual transmissions to be restored.

(15) **Conditions Precedent to Parties' Obligations.** The obligations of the parties to consummate the transactions contemplated hereby is subject to fulfillment, prior to or at Closing, of each of the following conditions, each of which may be made waived, but only by an expressed written waiver, executed by both parties:

(a) **Commission Approval.** The Commission shall have given its written consent to the Assignment Application, without attaching any conditions thereto that are materially adverse to Buyer, and such consent shall become a Final Order.

(b) **Representations and Warranties.** The representations and warranties contained in this Agreement shall be true and correct as of the date made and as of Closing, except for any changes permitted by the terms hereof or consented to in writing by the party to whom such representation is made.

(c) **Performance.** The other party shall have, in all material respects, performed and complied with all covenants, agreements and conditions required by the Agreement to be performed or complied with by Closing.

(d) **Licenses.** As of date of closing, University shall be the holder of the licenses, which will be transferred to Buyer at Closing.

a result of Seller's breach of the Agreement instead of seeking specific performance, Buyer shall be entitled to the return of the earnest money deposit of One Hundred Thousand Dollars (\$100,000.00); and such other compensation or damages as Buyer may be permitted by an action at law. The remedies described in this section shall be the only remedies to which Buyer shall be entitled and shall be in lieu of any other remedies to which Buyer might otherwise be entitled due to the wrongful failure by Seller to consummate the transaction contemplated by this Agreement.

(22) **Jurisdiction, Venue.** Each party waives any objection and agrees to submit itself to the jurisdiction of state and federal courts in the State of Colorado, in connection with any litigation arising out of the Agreement.

(23) **Finders, Consultants and Brokers.** The parties hereby represent and warrant to each other that no person is entitled to any commission or fee as a broker or finder in connection with this transaction. A party who has by their conduct created liability or a claim for damages, shall be solely responsible for such liability or damage.

(24) **Notices.** All notices, request, demands and other communications pertaining to the Agreement shall be in writing and shall be deemed duly given on the date delivered by hand (which shall include delivery by Federal Express or other recognized overnight courier service that issues a receipt or other confirmation of delivery) or three business days after the date mailed by certified mail, return receipt requested, postage prepaid, to the address set forth below of the party.

If to Seller:

University of Northern Colorado
Attn: Office of the President
University of Northern Colorado
Greeley, CO 80639
970-351-2121

cc: (which shall not constitute notice):

University of Northern Colorado
Attn: Office of Legal Counsel
University of Northern Colorado
Greeley, CO 80639
970-351-2125

If to Buyer:

Patricia M. Thomas
4517 West 14th Street
Greeley, CO 80634
970-353-3233

cc: (which shall not constitute notice):

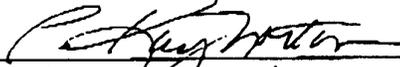
Stow L. Witwer, Jr.
Witwer, Oldenburg, Barry & Bedingfield, LLP
822 7th Street, Suite 760
Greeley, CO 80631
970-352-3161

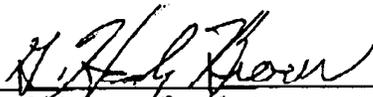
(36) **Severability.** If any term of this Agreement is illegal or unenforceable at law or in equity, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void 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.

This Agreement is binding and enforceable only if executed by both parties on or before April 5, 2001.

THE STATE OF COLORADO ACTING BY AND
THROUGH THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF NORTHERN COLORADO

Attest:

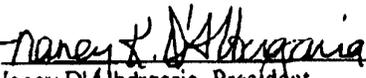
By: 
P. Kay Norton, Secretary to the
Board of Trustees

By: 
G. Hank Brown, President
Date: 4/3/01

COMMUNITY RADIO FOR NORTHERN COLORADO

Attest:

By: 
Patricia M. Thomas, Secretary

By: 
Nancy D. Albergaria, President
Date: 4/2/01

SCHEDULE 5(a) TO ASSET PURCHASE AND SALE AGREEMENT

Call Signs	City	St	Latitude	Longitude	Date on Air	Lic. Owned	Operated	Call Sign of Signal
K2159AC	Gypsum	CO	39 44 23	106 48 3	09/84	Y		KUNNC
K202CV	Breckenridge	CO	39 27 35	105 58 46	10/99	Y		KUNNC
K214AW	Walden	CO	40 21 16	106 41 55	09/84	Y		KUNNC
K215AN	Sterling	CO	40 35 58	103 1 55	06/89	Y		KUNNC
K204BH	Yuma	CO	40 8 35	102 48 51	06/89	Y		KUNNC
K210AY	Buena Vista/ Salida	CO CO	38 44 37	38 44 37	06/89	Y		KUNNC
K215BE	Estes Park	CO	40 21 38	105 31 13	06/84	Y		KUNNC
K203BQ	Steamboat Springs	CO	40 27 44	106 51 0	09/87	Y		KUNNC

Note: All Latitudes are N and all Longitudes are W

KUNNC licenses include:

1. Broadcast license for KUNNC operating from Greeley, CO: 91.5 FM
2. Studio transmitter link license: WAH-802
3. Remote pickup base/mobile system: KAH-954
4. Fixed Earth station license: KJ92
5. Translator licenses owned by KUNNC (see above)

LOCAL MANAGEMENT AGREEMENT

This Local Management Agreement ("Agreement") is made as of April 2, 2001, by and between the State of Colorado acting by and through the Board of Trustees of the University of Northern Colorado ("Licensee"), and Community Radio for Northern Colorado, a Colorado non-profit corporation ("CRNC") (Licensee and CRNC being sometimes referred to herein, individually, as a "Party" or, collectively, as the "Parties") and is effective as of April 2, 2001 (the "Effective Date").

WITNESSETH:

WHEREAS, Licensee is the owner and licensee of Broadcast Station KUNC, 91.5 FM, Greeley, Colorado and translators (the "Station");

WHEREAS, Licensee and CRNC simultaneously herewith have entered into an Asset Purchase Agreement (the "Purchase Agreement") by which CRNC will purchase the assets of, and accept assignment of the licenses issued by, the Federal Communications Commission ("FCC" or "Commission") with respect to, the Station;

WHEREAS, Licensee and CRNC desire that CRNC, subject to Licensee's supervision and control, provide management services and programming (the "Programs") for the Station for and on behalf of Licensee pending consummation of the Purchase Agreement;

NOW, THEREFORE, the Parties agree as follows:

1. Agreement Term. The term of this Agreement ("Term") will begin on the Effective Date and will terminate, subject to earlier termination as set forth herein, automatically upon the first to occur of (a) the consummation of the Purchase Agreement or (b) termination of the Purchase Agreement as provided therein.

2. Broadcast of the Programs. Subject to the terms and conditions set forth in this Agreement, Licensee agrees to make the broadcast transmission facilities of the Station available to CRNC and to broadcast on the Station, or cause to be broadcast on the Station, the Programs, for at least 12 hours per day and up to 24 hours per day, seven days per week, except for that time reserved by Licensee for the airing of its public affairs programming as set forth in Exhibit A or in order to perform reasonable and customary maintenance. CRNC will also air, under Licensee's direction, the station identification required under Section 73.1201 of the rules of the Commission. The Parties understand and agree that CRNC will be airing the Programs in a noncommercial format consistent with the status of KUNC (FM) as a noncommercial educational facility under the FCC's rules and regulations. From and after the Effective Date, CRNC shall retain any revenues resulting from the airing of underwriting announcements during the Programs, from on-air pledge drive and membership solicitations and from other fundraising activities. It is further understood and agreed that all such revenues shall be used solely for the operation of the Station and for no other purpose.

3. Operation, Ownership, and Control of the Station. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the Licensee of the Station, it will have ultimate authority, power, and control over the facilities of the Station during the Term of this Agreement. Licensee will bear

responsibility for the Station's compliance with all applicable provisions of the rules and policies of the FCC and all other applicable laws. Without limiting the generality of the foregoing

- (a) Licensee will employ the General Manager and other employees of the Station, who will report and be accountable solely to Licensee and direct the day-to-day operations of the Station (the "Station Employees")
- (b) Licensee will retain complete control over the programming of the Station, including the right to preempt, as set forth below, any of the Programs
- (c) Licensee will maintain responsibility for financial control over the operating and capital expenses of the Station and
- (d) Licensee will cause the Station to comply with the station identification and main studio rules, provided that CRNC's employees shall broadcast station identifications as set forth in Paragraph 2, above. Nothing herein shall prevent or hinder Licensee from (x) rejecting or refusing programs which Licensee believes to be unsatisfactory or unsuitable or contrary to the public interest, or (y) substituting a program which, in Licensee's opinion, is of greater local or national importance or which is specifically designed to address the problems, needs, and interests of the communities served by the Station.

During the Term of this Agreement, CRNC shall maintain and deliver to Licensee such records and information required by the FCC to be placed in the public inspection files of the Station pertaining to the broadcast of political programming and underwriting, in accordance with the provisions of Sections 73.1943 and 73.3527 of the Commission's rules. Licensee shall be advised promptly by CRNC of any public or FCC complaint or inquiry concerning the Programs and be given copies of any letters from the public, including complaints, concerning such programming.

The Station's transmitters will remain under Licensee's control. Responsibility for maintaining the transmitters, any STL used in conjunction with the Station and all other support equipment will reside with Licensee. Licensee will pay for any expenditures for monitoring equipment required by FCC rules. CRNC agrees to produce the daily logs for the Station, and perform the required transmitter readings.

4. Insurance. Licensee will maintain in full force and effect, with respect to the properties and employees utilized by it to fulfill its obligations under this Agreement, its current general liability, workers compensation and broadcaster's liability insurance policies. Licensee will continue to maintain such insurance coverage in full force and effect throughout the Term, and will cause CRNC to be named as an additional insured thereunder.

5. Programs and UNC Approval. All Programs shall be prepared and presented in conformity with all applicable laws and regulations including, without limitation, the Communications Act of 1934, as amended, the rules and regulations of the FCC, and the Licensee's programming policies set forth in Exhibit B hereof. Licensee reserves the right to accept or reject any programming, if in its sole and absolute discretion, it deems such programming to be unacceptable as a matter of law, public interest or good taste, or to be injurious in any way to the overall interests of UNC or its other programming.

This Agreement shall not be construed to grant to either Party any right of ownership or use relating to trade names, trademarks or service marks of the other Party or its affiliates. Neither Party may use such trade names, trademarks or service marks without the prior written approval of the other Party, which approval may be withheld in that Party's absolute discretion. The rejection by Licensee of any of the Programs for airing on the Station shall not release CRNC from its obligations hereunder.

6. Consideration. CRNC will pay Licensee fees and reimbursable expenses in accordance with Exhibit C to this Agreement.

7. Expenses and Taxes: Proceeds. Each Party will be responsible for all expenses and taxes incurred or imposed with respect to its property, employees, or operations. Licensee will be responsible for all costs of operating, owning, and controlling the Station in accordance with FCC rules and policies, its licensee obligations, and other applicable laws, including lease expenses for the studio and transmitter site, equipment insurance, electrical expenses for the Station's transmitters and studios, costs of maintaining the Station's transmitting facilities, the charges for a phone line to the studio, and salaries, taxes, insurance, and related expenses for Station Employees.

Revenues attributable to the operation of the Station up to the close of business on the day before the Effective Date will be for the account of Licensee and thereafter for the account of CRNC.

8. Licenses; Compliance with Law. During the Term, Licensee will operate its properties and maintain the validity of all of its licenses and other permits and authorizations necessary for the operation of the Station as presently conducted (including FCC licenses, permits, and authorizations) and, at its own expense, remove all violations with respect to such properties, licenses, permits, and authorizations and maintain standards of good engineering practice and compliance with all rules, regulations, and policies of the FCC.

9. Call Signs. Licensee will continue to use the call sign "KUNC" until the consummation of the Purchase Agreement.

10. Default.

10.1 CRNC Events of Default. An Event of Default by CRNC will be deemed to occur if CRNC materially breaches or violates, or fails to observe or perform, any obligation, covenant, condition or agreement imposed upon it under this Agreement, including the obligation to pay the consideration specified in Exhibit C and the obligation to provide at least 12 hours per day of programming. An Event of Default by CRNC under this Agreement shall be deemed a material breach by CRNC of the Purchase Agreement and shall entitle Licensee, in addition to any remedies hereunder, to all remedies thereunder.

10.2 Licensee's Events of Default. An Event of Default by Licensee will be deemed to occur if Licensee materially breaches or violates, or fails to observe or perform, any obligation, covenant, condition or agreement imposed upon it under this Agreement, including the failure or refusal to rebroadcast the Programs other than as permitted by this Agreement. An Event of Default by CRNC under this Agreement shall be deemed a material breach by Licensee of the Purchase Agreement and shall entitle CRNC, in addition to any remedies hereunder, to all remedies

thereunder.

10.3 Cure Period. An Event of Default will not be deemed to have occurred until ten (10) days after the non-defaulting Party has provided the defaulting Party with written notice specifying the event or events that if not cured would constitute an Event of Default under this Agreement and the default has not been cured within such 10-day period.

10.4 Remedies Upon Default. In the event of the occurrence of an Event of Default, the non-defaulting Party may terminate this Agreement, and, except as otherwise provided in this Agreement, pursue all remedies available at law or in equity for breach of this Agreement. Each party waives any objection and agrees to submit itself to the jurisdiction of and venue, in either the Federal or Colorado state courts sitting in Denver, Colorado, in connection with any litigation arising out of this Agreement.

10.5 Liabilities Upon Termination. After termination of this Agreement, CRNC shall continue to be responsible for all liabilities, debts, and obligations of CRNC resulting from its use of Licensee's air time and transmission facilities including, without limitation, accounts payable, barter agreements, and unaired underwriting announcements, but not for Licensee's federal, state, local, and other tax liabilities associated with CRNC's payments to Licensee as provided herein.

11. Authority. Licensee and CRNC each represents that it has the power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. Each further represents that it is duly qualified and in good standing in its state of formation and is qualified to do business in any state where such qualification is necessary.

12. Modification and Waiver: Remedies Cumulative. No modification or waiver of any provision of this Agreement will be effective unless in writing and signed by both Parties. No failure or delay on the part of either Party in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise of such right or power or the exercise of any other right or power. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies which a Party may otherwise have.

13. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of Licensee, CRNC and their respective successors and assigns. CRNC shall not assign its rights hereunder without the express written consent of Licensee, which consent shall be in Licensee's sole discretion.

14. Counterpart Signatures: Facsimile Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original. Signatures on this Agreement transmitted by facsimile shall be deemed to be original signatures for all purposes of this Agreement.

15. Notice. Any notice required under this Agreement must be given in writing. Any notice or other communication will be deemed given when delivered personally, or mailed by certified mail or recognized overnight courier, postage prepaid, addressed as follows (or to such other address designated in writing upon due notice to the other Party):

To Licensee: University of Northern Colorado
Attn: Office of the President
University of Northern Colorado
Greeley, CO 80639
970-351-2121

cc (which shall not constitute notice):

University of Northern Colorado
Attn: Office of Legal Counsel
University of Northern Colorado
Greeley, CO 80639
970-351-2125

To CRNC: Community Radio for Northern Colorado
Patricia M. Thomas
4517 West 14th Street
Greeley, Colorado 80634
970-353-3233

cc (which shall not constitute notice):

Stow L. Witwer, Jr.
Witwer, Oldenburg, Barry & Bedingfield, LLP
822 7th Street, Suite 760
Greeley, CO 80631
970-352-3161

16. Entire Agreement. This Agreement and its attachments embody the entire understanding between the Parties with respect to the subject matter of this Agreement.

17. Relationship of Parties. Neither Licensee nor CRNC will be deemed to be the agent, partner, or representative of the other Party to this Agreement, and neither Party is authorized to bind the other to any contract, agreement, or understanding.

18. Force Majeure. The failure of either Party hereto to comply with its obligations under this Agreement due to Acts of God, strikes of force majeure or due to causes beyond such Party's reasonable control will not constitute a default under this Agreement and neither Party will be liable to the other Party therefor. In no event shall Licensee be liable for any consequential or incidental damages relating to its failure or inability to air the Programs due to circumstances beyond its reasonable control.

19. Construction. This Agreement shall be construed in accordance with the internal laws of the State of Colorado and the obligations of the Parties hereto are subject to all federal, state, or municipal laws or regulations now or hereafter in force and to the regulations of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted. The Parties believe that the terms of this Agreement meet all of the requirements of current FCC policy for such agreements and agree that they shall negotiate in good faith to meet any FCC concern if they are incorrectly interpreting current FCC

policy or that policy is subsequently modified. If the Parties cannot agree in good faith to a modification or modifications deemed necessary by either party to meet FCC requirements, either Party may terminate this Agreement. The Parties further agree that they will file a copy of this Agreement with the FCC if required by the FCC's rules.

20. Certification. Pursuant to section 73.3555 of the FCC's rules, Licensee certifies that it will maintain ultimate control over the Station's facilities, including control over station finances, personnel and programming.

21. Attorneys' Fees. In the event of commencement of suit by either Party to enforce the provisions of this Agreement, the prevailing Party shall be entitled to receive attorneys' fees and costs as a court may adjudge reasonable in addition to any other relief granted. Attorneys' fees incurred in enforcing any judgment arising out of this Agreement are also recoverable by the prevailing Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

STATE OF COLORADO
Bill Owens, Governor
Acting by and through the Board of Trustees of the
University of Northern Colorado

By: [Signature]
Name: G. Hank Brown
Office: President

Date: 4-2-01

Community Radio for Northern Colorado

By: [Signature]
Name: NANCY K. D'AMBERGAR
Office: PRESIDENT

Date: 4/2/01

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**Exhibit A to
KUNC Local Management Agreement**

LICENSEE PUBLIC AFFAIRS PROGRAMMING

Licensee may produce or present up to four hours per week of public affairs programming on the Station. Licensee's public affairs programs shall respond to area needs and interests which it has ascertained and shall be presented at times deemed by Licensee to best meet listening needs. Licensee shall maintain a complete public file (as required by the Federal Communications Commission) and compile and file all required quarterly Issues/Programs lists. CRNC shall provide Licensee with all programming information necessary to assist Licensee in maintaining such file in accordance with FCC rule or policy.

**Exhibit B to
KUNC Local Management Agreement**

STATEMENT OF STATION POLICIES OF LICENSEE

The following standards, practices and policies, which are subject to amendment from time to time, are to be adhered to in the preparation, writing, production and broadcasting of all underwriting announcements and programs aired over the Stations:

1. No Lotteries. Except as expressly permitted under Section 73.1211 of the FCC's Rules, no announcements, messages or programs may be broadcast over the Stations (without the express prior written approval of the Licensee) which give any information about or which promote any lotteries or games of chance, including any bingo parties and the like which are to be held by a local church or other non-profit institution or organization. A lottery, for these purposes, is a game or promotion in which a prize is awarded and where the selection of the winner or the amount or nature of the prize is determined in whole or in part on the basis of chance, and where contestants enter the promotion by paying or giving up any consideration or item of value (e.g., money, substantial time, or substantial energy).

2. Station Identification Announcements Required. A station identification announcements must be broadcast each time the Station goes on the air and when it signs off the air. A station identification announcement must also be broadcast each hour, as close to the top of the hour as feasible, at a natural break in programming, and shall comply with the requirements of Section 73.1201 of the FCC's Rules.

3. Obscenity and Indecency Prohibited. No obscene material may be broadcast over the facilities of the Stations. No "indecent" material may be broadcast on the Stations during any time when the airing of such programming would be contrary to law or FCC regulations or policies. For these purposes, indecent material is defined as language or material that describes sexual or excretory activities or organs in a patently offensive manner, as measured by contemporary community standards for broadcasting. Material will be considered obscene if (a) the average person, applying contemporary community standards, would find that the material appeals to the prurient interest, (b) it describes or depicts, in a patently offensive manner, sexual conduct as defined by applicable state law, and (c) taken as a whole, it lacks serious literary, artistic, political or scientific value.

4. False and Misleading Underwriting and Programming Prohibited; No Advertising. No programming which is known to contain false or misleading claims shall be broadcast over the facilities of the Stations, and no advertising prohibited by FCC rules and regulations shall be broadcast over the facilities of the Stations.

5. Defamatory Statements Prohibited. No statements which are known to be defamatory may be broadcast over the facilities of the Stations. Defamation is a false statement of fact about a person, which tends to injure that person's reputation or otherwise cause injury or damages to that person.

6. Personal Attacks: Political Editorializing. No attacks on the character, honesty, integrity, or like personal qualities of any identified person or group of persons shall be broadcast over the Stations during the discussion of any controversial issue of public importance unless the attacked person or group is afforded a reasonable opportunity to respond. During the course of political campaigns, no program broadcast on the Stations is to be used as a forum for editorializing in support of or in opposition to any individual candidate, except for editorials by Licensee itself which are identified as such.

**Exhibit C to
KUNC Local Management Agreement**

CONSIDERATION

As consideration for this Local Management Agreement, CRNC shall reimburse Licensee for all of Licensee's reasonable and necessary operational expenditures ("Reimbursables Payment"), exclusive of debt and items currently included in the in-kind services budgeted by Licensee through June 30, 2001, including without limitation, the following:

1. Equipment operations, maintenance, repairs and replacements. All replacements paid by CRNC will be owned by CRNC
2. Transmitter site rent, utilities and services
3. Studio services other than in-kind services budgeted by Licensee
4. During the Term of this Agreement, Station's employees' salaries, benefits, costs and expenses
5. Contract engineering services
6. ASCAP, BMI, SESAC
7. FCC annual filing and regulatory fees
8. Insurance premiums and coinsurance for property and casualty insurance for the Station's tangible assets, general liability insurance, workers' compensation insurance and broadcaster's liability insurance

CRNC shall make each Reimbursables Payment so that it is received by Licensee no later than the last business day of the month during which the expenses are incurred. CRNC shall pay a two percent (2%) late payment charge to Licensee for any Reimbursables Payment that is not timely received by Licensee.