

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into this 30th day of January by and among Skandia LLC, a Colorado limited liability ("Seller") company ("Skandia LLC"), and Krayon's Wild Basin, LLC a Colorado limited liability company ("Buyer").

WITNESSETH:

KRF
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JK 4-21-2019

WHEREAS, Seller owns and operates radio translators (K231AP-Eagle, CO, K237BI-Breckenridge, CO, K248AP-Silverthorne, CO, K252BX-Glenwood Springs, CO, K258AS-Breckenridge, CO, K288DA-Vail, CO, ~~K295BH-Gypsum, CO,~~ K298AT-Rifle, CO, K247AP-Steamboat Springs, CO) (collectively, the "Translators" and individually, a "Translator"), pursuant to authorizations issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, on the terms and conditions described herein, Seller desires to sell and assign and Buyer desires to acquire and assume substantially all of the assets owned or leased by Seller and used or useful in connection with the operation of the Translators and certain specified liabilities related thereto; and

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, and for good and valuable consideration, the receipt and adequacy of which is acknowledged by the parties, the parties hereto, intending to be legally bound, hereby agree as follows:

**ARTICLE I.
PURCHASE OF ASSETS**

1.1 Transfer of Assets. On the Closing Date, subject to the provisions hereof, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Seller, the assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used or held for use in connection with the operation of the Translators by such Seller (collectively, the "Translator Assets"), free and clear of all liens, encumbrances, debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, charges, covenants, conditions or restrictions of any kind (collectively, "Liens"), except Permitted Liens (as defined herein). See Exhibit A for list of assets provided by Always Mountain Time, LLC and independently reviewed, verified, and agreed to by Buyer. The Translator Assets shall include, permits, rights and other authorizations, including applications specifically relating to the Translators issued to each Seller by the FCC or any other governmental authority on or prior to the Closing Date, together with renewals or modifications thereof, including, without limitation, all appurtenant licenses, permits, rights, authorizations and applications (the licenses, permits, authorizations issued by the FCC and applications pending before the FCC collectively are referred to herein as the "FCC Licenses");

(b) All equipment owned or used by Seller with respect to the Translators on the date hereof, together with any additions thereto or replacements thereof made between the date

hereof and the Closing Date, and less any retirements or dispositions thereof permitted by this Agreement to be made between the date hereof and the Closing Date, including, without limitation, the property identified herein (collectively, the "Tangible Property").

(c) Each Seller's right, title and interest in and to all of such Seller's contracts, agreements, operating leases and other similar business arrangements (but excluding any agreement or arrangement for borrowed money, including any mortgage) written or oral, relating to the operation of the Translators;

(d) All of each Seller's right, title and interest in and to the call letters of the Translators and all trademarks, trade names, service marks, franchises, copyrights, including registrations and applications for registration of any of them, jingles, logos and slogans, domain names and web sites used in the conduct of the business and operation of the Translators and either owned by each Seller or licensed to each Seller on the date;

(e) All of each Seller's right, title and interest in and to all of the real property leased or licensed by Seller (the "Leased Real Property" and "Real Property Leases") in connection with the operation of the Translators, and all of each Seller's ownership, leasehold or license rights, in and to any buildings, fixtures, and improvements located thereon, together with any additions thereto between the date hereof and the Closing Date (collectively, the "Real Property");

(f) Subject to the provisions of Section 3.5 hereof, all accounts receivable of Sellers arising from the operation of the Translators prior to the Closing which are outstanding and uncollected as of the Closing;

(g) All deposits, reserves and prepaid expenses relating to the Translator Assets and prepaid taxes relating to the Translator Assets, pro-rated as of Closing (except that any fees paid in respect of the FCC Licenses shall not be pro-rated); and

(h) All files, records, and books of account relating to the Translators, including, without limitation, sales correspondence, lists of advertisers, promotional materials, customer credit and sales reports, filings with the FCC, copies of all written contracts to be assigned hereunder, logs, the public inspection file and copies of all software programs used at the Translators in connection with the operation thereof.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that the Translator Assets shall not include the following assets, along with all right, title and interest therein (collectively, the "Excluded Assets"):

(a) All cash, cash equivalents or similar type investments of each Seller, such as certificates of deposit, Treasury bills and other marketable securities on hand and/or in banks;

(b) All contracts or agreements to which either Seller is a party that (i) have been terminated in accordance herewith, (ii) have expired prior to the Closing Date in the ordinary course of business and/or according to the terms of said contracts, or (iii) Buyer has not assumed, as further described in Sections 2.1;

(c) Seller's minute books, limited liability company agreement and other organizational documents, limited liability company interest record books and such other books and records relating to the formation, existence or capitalization of Seller, and duplicate copies of such records conveyed to Buyer as are necessary to enable Sellers to file their tax returns and reports, as well as any other records or materials relating to the Sellers generally and not involving the Station's operations;

(d) Contracts of insurance and all insurance proceeds or claims made by Sellers relating to property or equipment repaired, replaced or restored by Sellers prior to the Closing Date;

(e) Any and all claims made by Sellers with respect to transactions prior to the Closing Date and the proceeds thereof, except claims with respect to obligations to be assumed by Buyer pursuant to Section 2.1;

(f) All other rights, interests or intangible assets of Sellers which are not used in the operation of the Translators; and

(g) Any books and records relating to any of the foregoing, except to the extent that Buyer wishes to make, at its expense, a duplicate copy of such materials in order to facilitate its operation of the Translators and conduct of its business.

ARTICLE 2. ASSUMPTION OF OBLIGATIONS

2.1 Assumption of Obligations. Subject to the provisions of Section 3.4, Buyer shall assume and undertake to pay, satisfy or discharge the following liabilities and obligations of Sellers:

(a) any liabilities and obligations of Seller to the extent such liability or obligation arises with respect to the operation of the Translators on or after the Closing Date; and

(b) any liabilities and obligations of Seller under the Contracts and Real Property Leases described in Sections 1.1(c) and 1.1(e) (including those Contracts identified on Schedule 1.1(c) and those Real Property Leases) and any other contract, agreement, lease or arrangement of a similar nature (whether for real or personal property) that Buyer agrees to assume, except obligations which arise after the Closing Date as a result of a default by Sellers under any Contract or Real Property Lease prior to the Employment Commencement Date that are not of a nature described in this Section 2.1(b).

All of the foregoing assumed liabilities and obligations described in this Section 2.1 shall be referred to herein collectively as the "Assumed Liabilities."

**ARTICLE 3.
CONSIDERATION**

3.1 Purchase Price. In consideration for the sale, assignment, transfer and conveyance of the Translator Assets, (i) Buyer shall assume the Assumed Liabilities at Closing and (ii) Buyer shall pay the aggregate sum of \$80,000 to Seller (the "Purchase Price"), subject to the adjustments to be made pursuant to Section 3.4 and Section 3.5. The Purchase Price shall be payable as follows:

(a) On the Closing Date, the parties shall instruct the Escrow Agent (defined below) to release the Escrow Deposit (defined below) to Skandia LLC.

(b) On the Closing Date, the sum of Seventy Five Thousand Dollars (\$75,000.00), less the amounts of both (i) the Escrow Deposit and (ii) any fees or expenses prepaid to Skandia LLC as of the Closing Date (such sum, as adjusted on the Closing Date in accordance with Section 3.4 and Section 3.5, the "Closing Amount"), shall be paid by Buyer in cash by wire transfer of immediately available funds to an account designated by Sellers on the Closing Date.

3.2 Escrow Deposit. On the date hereof, Buyer shall deposit with US Bank (the "Escrow Agent") the sum of \$5,000 (the "Escrow Deposit") pursuant to an Escrow Agreement ("Escrow Agreement"). At Closing, the Escrow Deposit, plus any interest accrued on the Escrow Deposit, shall be applied as partial payment of that portion of the Purchase Price due at Closing to Sellers. In the event this Agreement is terminated without a Closing, the Escrow Deposit shall be released to and retained by Sellers as liquidated damages and Sellers' sole recourse hereunder (other than with respect to the provisions in Section 3.5(d) relating to termination of this Agreement) if the provisions of Section 13.4 apply to such termination; in all other cases, the Escrow Deposit, ~~plus any LMA Fees (as defined in the LMA)~~ paid to Sellers as of the termination date shall be returned to Buyer upon termination of this Agreement.

3.3 Allocation of Purchase Price. Within 60 days after the Closing Date, Seller shall deliver a schedule allocating the Purchase Price (including any adjustments) to and among the acquired Translator Assets (the "Allocation Schedule"). The Allocation Schedule shall be prepared in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended. The Allocation Schedule prepared by Seller shall be deemed final unless Buyer notifies Seller in writing that Buyer objects to one or more items reflected in the Allocation Schedule within 30 days after delivery of the Allocation Schedule to Buyer. In the event of any such objection, Seller and Buyer shall negotiate in good faith to resolve such dispute; provided, however, that if Seller and Buyer are unable to resolve any dispute with respect to the Allocation Schedule within 30 days after the delivery of the Allocation Schedule to Buyer, each party shall be free to determine its own allocation and file their respective IRS Forms 8594 and all federal, state and local tax returns in accordance with its own independent allocation.

3.4 Proration of Income and Expenses.

(a) Except as otherwise provided herein including the assumption of liabilities and obligations described in Section 2.1, all expenses arising from Seller's ownership of the Translator Assets to be conveyed hereunder that are customarily prorated shall be prorated between

Buyer and Seller in accordance with generally accepted accounting principles ("GAAP") as of 12:01 a.m., Denver time, on the Closing Date (the "Adjustment Time") on the basis that all revenues and expenses relating to the operations of the Translators which accrue prior to the Adjustment Time are for the account of Sellers, and all revenues and expenses which accrue after the Adjustment Time are for the account of Buyer, ~~but in each case subject to Section 3.5 hereto and the provisions of the LMA and prior payments made or due thereunder.~~ Such proration shall include, without limitation, all real property, ad valorem, and other property taxes (but excluding taxes arising by reason of the transfer of the Translator Assets as contemplated hereby, which shall be paid as set forth in ARTICLE II), and similar prepaid and deferred items attributable to the ownership of the Station or the Translator Assets. Salaries, wages, employee sales commissions, fringe benefit accruals and termination or severance pay for Sellers' employees through the date of their termination by Sellers shall not be pro-rated but shall be the sole responsibility of Sellers, ~~subject to any reimbursement obligations of Buyer under the LMA.~~

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(b) The proration and adjustments contemplated by this Section 3.4, to the extent practicable, shall be made on the Closing Date in connection with determining the Closing Amount. As to those proration and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within sixty (60) days following the Closing Date, with payment made by wire transfer of immediately available funds to an account designated by the party who is to receive such payment. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at such time and such disputes shall be resolved by a mutually agreeable independent public accounting firm (the "CPA"), and the fees and expenses of such CPA shall be paid one-half by Sellers and one-half by Buyer. The decision of such CPA shall be rendered within one hundred eighty (180) days after the Closing and shall be conclusive and binding on the parties.

ARTICLE 4. GOVERNMENTAL CONSENTS

4.1 FCC Consent. The transactions contemplated hereby are expressly conditioned on and subject to the prior consent and approval of the FCC ("FCC Consent") without the imposition of any conditions on the assignment of the FCC Licenses which would reasonably have a material adverse effect on the results of operations of Buyer or the Translators.

4.2 FCC Application. Within ten (10) business days after execution of this Agreement, each party shall prepare and load into the FCC's electronic files its respective portion of each application for assignment of the FCC Licenses (the "FCC Applications") from each Seller to Buyer and Buyer's counsel shall promptly file the completed FCC Applications with the FCC and shall tender the necessary filing fees (which shall be shared equally by Buyer and Sellers pursuant to Section 11.3). The parties shall thereafter prosecute the FCC Applications with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the grant of the FCC Applications as expeditiously as practicable (but no party shall have any obligation to satisfy complainants or the FCC by taking any steps which would have a material adverse effect on the results of operations of a party or any affiliated entity). If the FCC Consent imposes any condition on a party hereto, such party shall use commercially reasonable efforts to comply with such condition; *provided, however*, that no party shall be required hereunder to comply with any condition that would have a material adverse effect on the results of operations of such party, its affiliates, or the Translators.

If reconsideration or judicial review is sought with respect to an FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; *provided, however*, such party shall not be required to take any action which would have a material adverse effect on the results of operations of such party, its affiliates, or the Translators. Nothing in this Section 4.2 shall be construed to limit a party's right to terminate this Agreement pursuant to ARTICLE 13.

ARTICLE 5. CLOSING

5.1 Closing Date. Except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the transactions contemplated herein (the "Closing") shall occur on a date that is at least ten (10), but no more than 30 days after the FCC Consent has become a Final Order (as defined below); such date (the "Closing Date") to be designated by Seller in a notice given in writing to Buyer at least five (5) days before such Closing is to occur, and subject to satisfaction or waiver of the conditions to closing set forth in ARTICLE 9. For purposes of this Agreement, the term "Final Order" means action by the FCC (including action by any of its bureaus acting under duly granted authority) consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, application for review, petition for rehearing or appeal is pending, and as to which the time for filing any such request, application for review, petition or appeal or reconsideration by the FCC on its own motion has expired. All actions taken at the Closing will be considered as having been taken simultaneously and no such actions will be considered to be completed until all such actions have been completed.

5.2 Closing Place. The Closing shall be held on the Closing Date at 10:00 AM at the offices of Buyer's counsel or by mail, or such other time or place as the parties hereto may agree.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in Seller's disclosure schedules attached to this Agreement (together with any Schedule Supplement provided to Buyer in accordance with Section 8.4, the "Disclosure Schedules") it being understood that each representation and warranty contained in this ARTICLE 6 is qualified by the disclosures made on such schedules and this ARTICLE 6 and such schedules shall be read together as an integrated provision, Seller represents and warrants to Buyer, with respect to each Seller, as follows:

6.1 Organization and Qualification. Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Colorado. Each Seller has all necessary limited liability company power to carry on its business as it is now being conducted.

6.2 Authority; Non-Contravention; Compliance with Laws.

(a) Seller has all necessary limited liability company power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by Seller (this Agreement and such other agreements, documents, certificates and instruments are referred to herein collectively as the "Seller Documents"), to perform its obligations thereunder, and to consummate the transactions contemplated thereby.

The execution and delivery of the Seller Documents by Seller and the consummation by Seller of the transactions contemplated thereby have been, or will be prior to the Closing, as the case may be, duly authorized by all necessary limited liability company action on the part of Seller. Each of the Seller Documents has been, or at or prior to the Closing will be, as the case may be, duly executed and delivered by Seller and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of Seller, enforceable against Seller in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) The execution and delivery by Seller of the Seller Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of the articles of organization or the limited liability company agreement of Seller; (ii) constitute or result in a breach of or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any Contract, or any other material agreement, indenture, covenant, instrument, license or permit related to the operation of the Translators or the Translator Assets; (iii) create any Lien upon any of the Translator Assets; (iv) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to the operation of the Translators or the Translator Assets; or (v) require the consent of any third party (other than the FCC) or violate the rights of any third party in any material respect, except (vi) with respect to landlord's consent to assignment of Leased Real Property or (vii) where the failure to obtain such consent would not reasonably be expected to cause a material adverse effect upon the operation of the Translators or the transactions contemplated by this Agreement.

(c) No consent, approval, order or authorization of, notice to, or registration, declaration or filing with, any governmental entity is necessary in connection with the execution and delivery of the Seller Documents by Seller or the consummation of the transactions contemplated thereby by Seller, except (i) for the FCC Consent and the filing of required documents with the FCC. To Seller's knowledge, (i) Seller has, since January 1, 2011, complied and is in compliance in all material respects with all laws, rules and regulations, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Translators, and (ii) there are no governmental claims or investigations pending or threatened against Seller in respect of the Translators that would reasonably be expected to cause a material adverse effect upon the operation of the Translators or the transactions contemplated by this Agreement except those affecting the industry generally.

6.3 FCC Licenses.

(a) Seller is the authorized legal holder of the FCC Licenses. The FCC Licenses are in full force and effect, unimpaired in any material respect by any act or omission of Seller. To the Seller's knowledge, no proceedings are pending or threatened (other than proceedings applicable to the radio industry as a whole) nor do any facts exist which would reasonably be

expected to result in the revocation, adverse modification, non-renewal or suspension of any of the FCC Licenses.

(b) The FCC Licenses are all of the licenses, permits or other authorizations from the FCC necessary to the operation of the Translators in the manner and to the full extent as such operations are currently conducted. There are no conditions upon the FCC Licenses except those conditions stated on the face thereof or conditions applicable to Translators of such class generally under the Communications Act of 1934, as amended (the "Act"), and the rules, regulations and published policies of the FCC (the "FCC Rules"). To Seller's knowledge, no proceedings are pending or threatened (other than proceedings applicable to the radio industry as a whole) which would reasonably be expected to result in the issuance of any cease and desist order or the imposition of any administrative actions by the FCC with respect to the FCC Licenses, including any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller with respect to the Translators, or which may materially and adversely affect Buyer's ability to operate the Translators in accordance with the FCC Licenses, the Act and the FCC Rules.

(c) To Seller's knowledge, Seller has, since (date of Original purchase by Skandia), complied and is in compliance in all material respects with all requirements of the FCC and the Federal Aviation Administration ("FAA") with respect to the registration, construction and/or alteration of Sellers' antenna structures, and "no hazard" determinations for each antenna structure have been obtained, where required. Each of the Station's towers has been properly registered at the coordinates specified in its FCC License.

6.4 Personal Property.

(a) The Tangible Personal Property included within the Translator Assets to be conveyed hereunder is all of the material tangible personal property used to operate the Translators in the manner in which they are presently operated. Seller (i) is the lawful owner of all of the Tangible Personal Property it purports to own, (ii) has valid leasehold interests in the Tangible Personal Property it purports to lease, and (iii) has valid license rights (whether as a licensor or licensee) in the Tangible Personal Property it purports to license, in all cases free and clear of any Liens, except for Permitted Liens. All Tangible Personal Property shall be purchased in "as is" condition.

(b) Intellectual Property. To Seller's knowledge, (i) Seller's use of the Intellectual Property does not infringe upon any third party rights in any material respect, (ii) no material Intellectual Property is the subject of any pending, or threatened legal proceedings claiming infringement or unauthorized use, and (iii) Seller has not received any written notice that its use of any material Intellectual Property is unauthorized or infringes upon the rights of any other person in any manner that would reasonably be expected to have a material and adverse on the Translator Assets. To Seller's knowledge, Seller owns or has the right to use the Intellectual Property free and clear of Liens other than Permitted Liens.

6.5 Contracts. Seller has provided a true and complete list of the material Contracts existing on the date hereof that are to be conveyed to Buyer at the Closing. Each of the Contracts is in effect and binding upon Seller and, to Sellers' knowledge, the other parties thereto. To its knowledge,

Seller is not in violation or breach of, nor has Seller received in writing any claim or threat that it has breached any of the terms and conditions of any Contract To the extent Seller's knowledge parties have been able to locate the same, Seller has made available to Buyer a true, accurate and complete copy of each Contract. Neither the execution and delivery by Seller of this Agreement nor the consummation by Seller of the transactions contemplated under this Agreement requires the consent of any party to any Contract or any other material agreement or obligation of Seller that is to be assigned to or assumed by Buyer.

6.6 Brokers. There is no broker or finder or other person who would have any valid claim for a commission or brokerage payable by Buyer in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Seller.

6.7 Litigation. To Seller's knowledge, (i) Seller is not subject to any judgment, award, order, writ, injunction, arbitration decision or decree with respect to or affecting the Translators or Translator Assets and (ii) there is no third party claim, litigation, proceeding or investigation pending or threatened against Seller with respect to the Translators in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes, in any case of the items described in clauses (i) or (ii) that if adversely determined would reasonably be expected to have a material adverse effect upon the business, assets or condition, financial or otherwise, of the Translators or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

6.8 Liabilities. Other than as disclosed herein, and except for the Assumed Liabilities, and payables arising in the ordinary course of business which, subject to the provisions of Section 3.5 hereof shall be assumed by Buyer, Seller has no debt, liability, or obligation of any kind, whether accrued, absolute, contingent, inchoate or otherwise, which will impose any obligation on Buyer or otherwise encumber the Translator Assets in any material respect after the Closing.

6.9 Real Properties. Seller has valid license or leasehold interests in each of the Real Property Leases pursuant to which Seller holds a license or leasehold estate in, or is granted the right to use or occupy each parcel of the Leased Real Property that is material to the operation of the Translators (assuming proper authorization and execution of such Real Property Lease by the other parties thereto and subject to the application of general principles of bankruptcy or other creditors' rights laws), free and clear of all Liens, except for (i) Liens for taxes not yet due and payable, mechanics' liens and similar liens incurred in the ordinary course of business which do not interfere in any material respect with the operation of the Translators, (ii) such easements, covenants and non-monetary encumbrances granted in the ordinary course of business which do not interfere in any material respect with the operation of the Translators, and covenants, conditions and restrictions set forth in the Contracts (collectively, the items in clauses (i) and (ii), "Permitted Liens"), (iii) rights of sublessees, and (iv) other Liens; any Liens with respect to indebtedness for borrowed money shall be discharged at Closing. To Seller's knowledge, Seller enjoys peaceful and undisturbed possession under the Real Property Leases. To the knowledge of Seller, no other party to a Real Property Lease for a parcel of the Leased Real Property that is material to the operation of the Translators is in default thereunder or breach thereof, or is subject to a pending bankruptcy proceeding, and each Real Property Lease for a parcel of the Leased Real Property that is material to the operation of the Translators is in full force and effect.

6.10 Taxes.

- (a) Seller has paid all Taxes (as hereinafter defined) required to be paid by Seller.
- (b) There are no pending or, to the knowledge of the Sellers, threatened, investigations or claims against Seller for or relating to any material liability in respect of Taxes.
- (c) All Taxes required to be withheld by Seller on or before the date hereof have been withheld and paid (or will be paid) when due to the appropriate agency or authority.
- (d) For the purposes of this Agreement, "Taxes" and "Tax" shall mean all taxes and any tax, including without limitation, all foreign, federal, state, county and local income, sales, employment, profit, payroll, use, trade, capital, occupation, property, excise, value added, unitary, withholding, stamp, transfer, registration, recordation and license tax, taxes measured on or imposed by net worth, and other taxes, levies, imposts, duties, deficiencies and assessments, together with all interest, penalties and additions imposed with respect thereto, including any transferee liability for taxes.

6.11 Insurance. Seller maintains insurance with reputable insurers in amounts and with scope and coverage that it has determined are reasonable for its broadcast industry properties.

6.12 No Other Agreements to Sell the Translators. Seller has no legal obligation, absolute or contingent, to any other person or firm to sell, assign, or transfer the Translator Assets (whether through a merger, reorganization or sale of stock or otherwise) or to enter into any agreement with respect thereto, including, without limitation, any valid right of first refusal or option held by a third party.

6.13 Financial Information. Seller has previously provided to Buyer copies of unaudited consolidated balance sheets and income statements for Skandia LLC. To Seller's knowledge, such unaudited financial reports present fairly, in all material respects, the financial condition and the results of operations of Skandia LLC for the respective periods covered thereby.

6.14 Disclaimer of Other Express and Implied Warranties. Except for the representations and warranties set forth above in this ARTICLE 6, the sale of the Translator Assets is "as is, where is" and Seller makes no other representations or warranties, express or implied, and in particular, without limitation, sale of the Translator Assets hereunder is not subject to the provisions of Article 2 of the Uniform Commercial Code or any other express or implied warranty created by statute or common law.

ARTICLE 7. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as follows:

7.1 Organization, Standing and Power. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Colorado. Buyer has all necessary limited liability company power to carry on its business as it is now being conducted and as it is currently contemplated to be conducted as of and immediately following the Closing.

7.2 Authority.

(a) Buyer has all necessary limited liability company power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by Buyer (this Agreement and such other agreements, documents, certificates and instruments are referred to herein collectively as the "Buyer Documents"), to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution and delivery of the Buyer Documents by Buyer and the consummation by Buyer of the transactions contemplated thereby have been duly authorized by all necessary limited liability company action on the part of Buyer. Each of the Buyer Documents has been, or will be at or prior to the Closing, as the case may be, duly executed and delivered by Buyer and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) The execution and delivery by Buyer of the Buyer Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of the articles of organization, operating agreement or other organizational documents of Buyer; (ii) constitute or result in a breach of or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any material contract, agreement, indenture, covenant, instrument, license or permit by which Buyer is bound; (iii) create any Lien upon any of Buyer's assets; or (iv) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to Buyer

(c) Except for the FCC Consent, no consent, approval, order or authorization of, notice to, or registration, declaration or filing with, any governmental entity is necessary in connection with the execution and delivery of any of the Buyer Documents by Buyer or the consummation by Buyer of the transactions contemplated thereby, except for filings with the FCC.

7.3 Litigation. There is no third party claim, litigation, proceeding or investigation pending or, to the Buyer's knowledge, threatened against Buyer in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes which might have a material adverse effect upon the business, assets or condition, financial or otherwise, of Buyer, or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

7.4 Qualification. Buyer is qualified to be the assignee of the Station's FCC Licenses under the Act and the FCC Rules. To Buyer's knowledge, there are no matters with respect to Buyer which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

7.5 Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the condition (financial or otherwise) of the Translator Assets, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Sellers for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Sellers set forth in ARTICLE 6 of this Agreement (including the related portions of the Disclosure Schedules); and (b) no Seller nor any other person has made any representation or warranty as to such Seller or the Translator Assets, except as expressly set forth in ARTICLE 6 of this Agreement (including the related portions of the Disclosure Schedules).

7.6 Brokers. There is no broker or finder or other person who would have any valid claim for a commission or brokerage payable by Sellers in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Buyer.

7.7 Capitalization. Each person or entity that has a direct or indirect record or beneficial ownership equity interest in Buyer as of the date of this Agreement (and each person or entity who is expected by Buyer to have any such interest within the next six months) has been disclosed by Buyer.

ARTICLE 8. COVENANTS

8.1 Operation of Business. Between the date of this Agreement and earlier of the Closing Date or the date of termination of this Agreement, Seller shall:

(a) use commercially reasonable efforts to preserve and protect all of the material Translator Assets in good repair and condition, normal wear and tear excepted, and maintain such Translator Assets, in all material respects, according to industry standards, good engineering practices and all applicable FCC Rules;

(b) without Buyer's consent (which may be oral or in writing), not enter into any material agreement with respect to the Translators, the Translator Assets or Seller, including any option or agreement to sell, assign or transfer any of the Translators or control of Sellers to any other party;

(c) not take or, to the extent in Seller's control, permit any other action inconsistent with Seller's obligations hereunder and the consummation of the transactions contemplated hereby;

(d) maintain the current insurance policies in full force and effect, with policy limits and scope of coverage not less than is currently provided;

(e) maintain and preserve Seller's rights under the FCC Licenses, operate the Translators in accordance, in all material respects, with the Act, the FCC Rules and the FCC Licenses, timely file and prosecute any required extensions of outstanding construction permits, applications or authorizations which may expire prior to the Closing Date; and

(f) conduct the Translators' business in all material respects in the ordinary course consistent with past practices or as required by this Agreement.

By way of amplification and not limitation, without the prior consent of Buyer (which may be oral or in writing), which shall not be unreasonably withheld, between the date of this Agreement and the Closing Date, neither Seller shall:

- (i) enter into any agreement, contract or lease with an aggregate liability of more than \$5,000, unless cancelable without penalty prior to the Closing Date;
- (ii) place or allow to be placed on any of the Translator Assets any Lien other than a Permitted Lien;
- (iii) sell or otherwise dispose of any material Station Asset except in accordance with Section 1.1;
- (iv) commit any act or omit to do any act which will cause a material breach by Seller of any material Contract or Real Property Lease in Seller's name, or terminate or fail to attempt in good faith to renew any material Contract or Real Property Lease;
- (v) violate in any material respect any law, statute, rule, governmental regulation or order of any court or governmental or regulatory authority (whether Federal, State or local); or
- (vi) cause or permit by any act, or failure to act, any of the FCC Licenses to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses, or fail to prosecute with due diligence any pending applications to the FCC.

8.2 No Other Bids. From the date hereof to the earlier of the Closing Date or the termination of this Agreement, Sellers shall not, and shall not authorize or permit any officer, director or employee of either Seller, or any investment banker, attorney, accountant or other advisor or representative retained by Sellers to, solicit, initiate, encourage (including by way of furnishing information), endorse or enter into any agreement with respect to, or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any proposal to purchase, directly or indirectly, any of the Translators. Upon a violation of this Section 8.2, in addition to any other remedies available hereunder or at law, Buyer shall be entitled to injunctive relief.

8.3 Access to Information. From the date hereof to the earlier of the Closing Date or the termination of this Agreement, each Seller shall afford, and shall cause its respective officers, directors, employees and agents to afford, to Buyer and the officers, employees and agents of Buyer complete access during normal business hours, and in a manner so as not to interfere with the normal business operations of Seller, to Seller's officers, employees, independent contractors,

agents, properties, facilities, books, records and contracts, and shall furnish Buyer all existing financial, operating and other data and information as Buyer, through its respective officers, employees or agents, may reasonably request.

8.4 Supplement to Disclosure Schedules. From time to time prior to the Closing, Sellers shall promptly supplement or amend the Disclosure Schedules hereto with respect to any matter hereafter arising or of which it becomes aware after the date hereof, which, if existing, occurring or known by either Seller at the date of this Agreement, would have been required to be set forth or described in the Disclosure Schedules (each a "Schedule Supplement"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement and amend the Disclosure Schedules as of the Closing Date; *provided, however*, that in the event such event, development or occurrence which is the subject of the Schedule Supplement constitutes or relates to something that has had or could reasonably be expected to have a material adverse effect on the operation of the Translators or the Translator Assets, then Buyer shall have the right to terminate this Agreement for failure to satisfy the closing condition set forth in Section 9.1(a); *provided, further*, that if Buyer has the right to, but does not elect to terminate this Agreement within 30 days of its receipt of such Schedule Supplement (or, in any event, elect to terminate the Agreement in advance of Closing), then Buyer shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 9.1(a) and, further, shall have irrevocably waived its right to indemnification under ARTICLE 12 with respect to such matter.

8.5 Confidentiality and Non-Solicitation.

(a) Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, its attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and shall not disclose to any third party or use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of the other party obtained in connection with the transactions contemplated hereby, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure in contravention of this Section 8.5, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution hereof. Notwithstanding any other provision of this Agreement, the obligations set forth herein shall survive the Closing or termination of this Agreement for the full period of the statute of limitations applicable to this Agreement.

(b) If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral questions, interrogatories,

requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with Section 8.5(a). If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 8.5(a), the party subject to the request will furnish only that portion of such confidential information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

(c) The provisions of this Section 8.5 shall survive a termination of this Agreement pursuant to Section 13.1.

8.6 Consents and Approvals. Each Seller shall use commercially reasonable efforts to obtain any and all consents, transfers, authorizations, or approvals required for the consummation of the transactions contemplated by this Agreement. Buyer will cooperate with Sellers in obtaining, and providing all information necessary to obtain, such consents. Notwithstanding anything herein to the contrary, this Agreement shall not constitute an agreement to sell, convey, assign, sublease or transfer any Contract, or to assume any Assumed Liability thereunder, if any attempted sale, conveyance, assignment, sublease or transfer of such assets, without the consent of the other party or parties, as the case may be, to such Contract, would constitute a breach by a Seller with respect to such Contract, and Buyer shall not assume any liability under such Contract until such Consent is obtained. If any such Consent or authorization is not obtained, or if an attempted assignment or assumption would be ineffective or would adversely affect the rights or benefits or increase the obligations of Buyer with respect to any such Contract or Assumed Liability, as appropriate, then the parties hereto shall negotiate in good faith to enter into such reasonable cooperative arrangements (including without limitation sublease, agency, partial closing, management, indemnity or payment arrangements and enforcement for the benefit of Buyer of any and all rights of a Seller related to the operating of the Station or the Translator Assets against an involved third party) to provide the parties with such benefits and obligations as most closely approximate those contemplated by this Agreement.

8.7 Control of Translators. Buyer shall not, directly or indirectly at any time prior to the Closing Date, control, supervise or direct the operation of the Translators. Subject to the covenants of Sellers contained herein, such operation, including complete control and supervision of all Translator programs, employees and policies, shall be the sole responsibility of Seller.

8.8 News Releases. Except as required by law, any news releases pertaining to the transactions contemplated hereby shall be reviewed and approved by Buyer and Seller, or their respective representatives, and shall be acceptable to them prior to the dissemination thereof.

ARTICLE 9. CONDITIONS

9.1 Conditions Precedent to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Buyer shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Sellers in this Agreement shall be true and correct in all material respects (except for representations and warranties subject to materiality qualifiers which shall be true and correct in all respects) as of the date of this Agreement and on the Closing Date as though such representations and warranties were made on such date, but taking into account any Schedule Supplements provided to Buyer in accordance with Section 8.4.

(b) Sellers shall have performed and complied in all material respects with all covenants, agreements, conditions and undertakings required by this Agreement to be performed or complied with by Sellers prior to the Closing.

(c) No action, suit or proceeding before any court or any governmental or regulatory authority shall have been commenced and remain unresolved, and no investigation by any governmental or regulatory authority shall have been commenced and remain unresolved, seeking to restrain, enjoin, rescind, prevent or change the transactions contemplated hereby or questioning the validity or legality of any of such transactions or seeking damages in connection with any of such transactions.

(d) Sellers shall have delivered to Buyer all of the documents required by Section 10.1.

(e) The FCC Consent shall have been issued and placed on public notice by the FCC, further subject to the provisions of Section 5.1 hereof.

(f) Sellers shall have obtained and delivered to Buyer all required third-party consents to the assignment of those material Contracts and Real Property Leases hereto (the "Required Consents"), which consents shall not have as a condition thereof any adverse modifications to the terms thereof or any payment by Buyer to consummate the assignment, and Sellers shall have exercised commercially reasonable efforts to obtain each consent to assignment required by any other Contracts or Real Property Leases that have not been identified as Required Consents.

(g) There shall not be any Liens on the Translator Assets (other than Permitted Liens) or any financing statements of record with respect to either Seller or the Translator Assets except those to be released at the Closing, and Buyer shall have obtained lien search reports (the "Lien Search"), in form and substance satisfactory to Buyer and dated no earlier than ten (10) days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State office of the State of Colorado, provided, that the cost of such Lien Search shall be paid by Buyer.

9.2 Conditions Precedent to Obligations of Seller. The obligations of Sellers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Sellers shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects (except for representations and warranties subject to materiality qualifiers which shall be true and correct in all respects) as of the date of this Agreement and on the Closing Date as though such representations and warranties were made on such date.

(b) Buyer shall have performed and complied in all respects with all covenants, agreements, conditions and undertakings required by this Agreement to be performed or complied with by it prior to the Closing.

(c) No action, suit or proceeding before any court or any governmental or regulatory authority shall have been commenced and remain unresolved, no investigation by any governmental or regulatory authority shall have been commenced and remain unresolved, seeking to restrain, enjoin, rescind, prevent or change the transactions contemplated hereby or questioning the validity or legality of any such transactions or seeking damages in connection with any of such transactions.

(d) The FCC Consent shall have been placed on public notice by the FCC, further subject to the provisions of Section 5.1 hereof.

(e) Buyer shall have delivered to Sellers all of the documents required by Section 10.2.

ARTICLE 10. CLOSING DELIVERIES

10.1 Seller's Deliveries. At the Closing, Sellers shall deliver or cause to be delivered to Buyer the following:

(a) a Bill of Sale for the Tangible Personal Property, in form and substance reasonably satisfactory to Buyer and Sellers;

(i) an Assignment and Assumption of the FCC Licenses, in form and substance reasonably satisfactory to Buyer and Sellers;

(ii) an Assignment and Assumption of the Contracts, in form and substance reasonably satisfactory to Buyer and Sellers;

(iii) an Assignment and Assumption of the Intellectual Property

(iv) executed third party written consents for each of the Required Consents, and such other consents as Sellers have obtained;

(v) an Assignment and Assumption of each Real Property Lease that is included within the Required Consents, in form and substance reasonably satisfactory to Buyer and Sellers;

(vi) written consents or pay off letters from any party that is a Secured Party identified on any UCC-1 Financing Statement of record with respect to any Seller, the Translators or Translator Assets, agreeing to amendment or termination of the Liens evidenced thereby upon conditions set forth in such consent; and such instruments of amendment, termination or release of Liens (other than Permitted Liens), all in form and substance reasonably satisfactory to counsel for Buyer, as are necessary to vest in Buyer good and marketable title in and to the Translator Assets.

(b) A certificate, executed by an officer of Seller certifying to the fulfillment or satisfaction of the conditions set forth in Sections 9.1(a) and 9.1(b). The delivery of such certificate shall

constitute a representation and warranty of such Seller as to the statements set forth therein as of the Closing Date.

(c) Updated Disclosure Schedules to the Agreement reflecting any Schedule Supplements made in accordance with the provisions of Section 8.4.

(d) Resolutions of the Managers of Sellers authorizing the execution, delivery and performance of the Seller Documents by Sellers, and certificates of good standing from the State of Colorado.

(e) A certificate of incumbency with respect to any party executing a Seller Document on behalf of Seller.

(f) Originals or copies of all program, operations, transmissions, or maintenance logs and any other records required to be maintained by the FCC with respect to the Translators that are located at the Translator sites shall be left at the Translators and thereby delivered to Buyer.

10.2 Buyer's Deliveries. At the Closing, Buyer shall deliver or cause to be delivered to Sellers the following:

(a) The Closing Amount of \$75,000 and with the \$5,000 in escrow will total the \$80,000 agreed upon amount of the final sale.

(b) The Assignment and Assumption of FCC Licenses.

(c) The Assignment and Assumption of the Contracts.

(d) The Assignment and Assumption of Leases, for each Real Property Lease.

(e) A certificate, executed by an officer of Buyer, certifying to the fulfillment or satisfaction by Buyer of the conditions set forth in Sections 9.2(a) and 9.2(b). The delivery of such certificate shall constitute a representation and warranty of Buyer as to the statements set forth therein as of the Closing Date.

(f) Resolutions of the manager of Buyer authorizing the execution, delivery and performance of the Buyer Documents by Buyer, certified by the secretary of Buyer, and a certificate of good standing from the Secretary of State of Colorado.

ARTICLE 11. TRANSFER TAXES, FEES AND EXPENSES

11.1 Expenses. Except as set forth in Sections 11.2 and 11.3, each party hereto shall be solely responsible for all costs and expense incurred by it in connection with the negotiation and preparation of this Agreement.

11.2 Transfer Taxes and Similar Charges. Buyer shall pay all fees for recordation, transfer and documentary taxes, and any excise, sales or use taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with or

imposed by reason of the consummation of the transactions contemplated by this Agreement. Buyer will, at its own expense, file all necessary tax returns and other documentation with respect to all such taxes, fees and charges, and, if required by applicable law, Seller will join in the execution of any such tax returns and other documentation.

11.3 Governmental Filing or Grant Fees. The fees and expenses of Buyer's and Seller's joint FCC counsel and the FCC Application fees and any other filing or grant fees imposed by any governmental authority the consent of which is required to the transactions contemplated hereby shall be paid by Buyer.

ARTICLE 12. INDEMNIFICATION

12.1 Survival of Representations and Warranties. All representations and warranties made in this Agreement shall survive the Closing for a period of 12 months from the Closing Date. The right of any party to recover Damages (as defined in Section 12.2) on any claim shall not be affected by the termination of any representations and warranties as set forth above provided that notice of the existence of such claim (and describing in reasonable detail such claim) has been given by the Indemnified Party (as hereinafter defined) to the Indemnifying Party (as hereinafter defined) prior to such termination.

12.2 Indemnification of Buyer by Sellers. From and after the Closing, Skandia LLC shall indemnify and hold Buyer and its members, officers, employees, attorneys, affiliates, representatives, agents, partners, successors or permitted assigns (collectively, the "Buyer Indemnified Parties") harmless from and against any liability, loss, cost, expense, judgment, order, settlement, obligation, deficiency, claim, suit, proceeding (whether formal or informal), investigation, Lien or other damage, including, without limitation, attorney's fees and expenses, (all of the foregoing items for purposes of this Agreement are referred to as "Damages" and are not limited to matters asserted by third-parties against a party, but includes Damages incurred or sustained by a party caused by breach or default by the other party, *provided, however*, that "Damages" shall not include lost profits, damages calculated based on earnings or other multiples or any punitive, incidental, consequential, or indirect damages except in the case of fraud or to the extent actually awarded to a governmental authority or other third party in connection with the third party claim against such indemnified party) resulting from, arising out of or incurred with respect to a breach of any representation, warranty, covenant or agreement of Seller contained herein, subject to notice of a claim being given before the expiration of the applicable period specified in Section 12.1 with respect to the representations or warranties by Sellers contained herein; *provided, however*, that in no instance shall Skandia LLC's liability be in excess of Eighty Thousand Dollars (\$80,000) for any claim(s) or costs associated with any such claim(s).

12.3 Indemnification of Seller by Buyer. From and after the Closing, Buyer shall indemnify and hold Seller and their respective members, officers, employees, attorneys, affiliates, representatives, agents, officers, directors, successors or assigns, harmless from and against any Damages resulting from, arising out of, or incurred with respect to:

(a) a breach of any representation, warranty, covenant or agreement of Buyer contained herein, subject to notice of a claim being given before the expiration of the applicable

period specified in Section 12.1 with respect to the representations and warranties made by Buyer herein;

(b) any assumed liabilities herein; and

(c) any and all claims, liabilities or obligations of any nature, absolute or contingent, relating to the business and operation of the Translators as conducted by Buyer after the Closing Date.

12.4 Procedures.

(a) Promptly after the receipt by any party (the "Indemnified Party") of notice of (a) any claim or (b) the commencement of any action or proceeding which may entitle such party to indemnification under this ARTICLE 12, such party shall give the other party (the "Indemnifying Party") written notice of such claim or the commencement of such action or proceeding and shall permit the Indemnifying Party to assume the defense of any such claim, or any litigation or proceeding resulting from such claim. The failure to give the Indemnifying Party timely notice under this subsection shall not preclude the Indemnified Party from seeking indemnification from the Indemnifying Party unless, and then only to the extent, such failure has materially prejudiced the Indemnifying Party's ability to defend the claim, litigation or proceeding. If such claim does not arise from the claim of a third party, the Indemnifying Party shall have 30 days after such notice to cure the conditions giving rise to such claim to the Indemnified Party's satisfaction. The Indemnifying Party shall assume the defense of any such claim, litigation or proceeding by a third party within 30 days after receipt of notice thereof from the Indemnified Party (or notify the Indemnified Party why it refuses to assume such defense), with counsel of its choice reasonably satisfactory to the Indemnified Party; *provided, however*, that the Indemnifying Party must conduct the defense of such claim, litigation or proceeding actively and diligently thereafter in order to preserve its rights in this regard; and *provided further* that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of such claim, litigation or proceeding, provided that the Indemnifying Party shall direct and control the defense of such claim, litigation or proceeding.

(b) So long as the Indemnifying Party has assumed and is conducting the defense of any such claim, litigation or proceeding resulting therefrom (A) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to such claim, litigation or proceeding without the prior written consent of the Indemnified Party (not to be withheld unreasonably) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties, does not impose an injunction or other equitable relief upon the Indemnified Party, and provides a release for the benefit of the Indemnified Party; and (B) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to such claim, litigation or proceeding without the prior written consent of the Indemnifying Party (not to be withheld unreasonably). The Indemnified Party shall cooperate and make available all books and records reasonably necessary and useful in connection with the defense.

(c) If the Indemnifying Party shall not assume the defense of any such claim, litigation or proceeding resulting therefrom, the Indemnified Party may, but shall have no

obligation to, defend against such claim, litigation or proceeding in such manner as it may deem appropriate; provided, that the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to such claim, litigation or proceeding without the prior written consent of the Indemnifying Party (not to be withheld unreasonably).

12.5 Sole Remedy. Each of the parties acknowledges and agrees that their sole and exclusive remedy following the Closing for monetary relief with respect to any breach of any representation or warranty, covenant or agreement with respect to any and all claims relating to the subject matter of this Agreement, shall be pursuant to the provisions set forth in this ARTICLE 12. Nothing in this Section 12.6 affects a Party's right to enforce its indemnification rights hereunder.

ARTICLE 13. TERMINATION RIGHTS

13.1 Termination. This Agreement may be terminated, by written notice given by any party specified below (provided such party is not then in material breach of any of its representations, warranties, covenants or duties hereunder) to the other party hereto, at any time prior to the Closing Date as follows, and in no other manner.

(a) By mutual written consent of the parties;

(b) By Buyer or Seller if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable;

(c) By Buyer, if a Seller fails to perform or breaches in any material respect any of its representations, warranties, covenants or duties under this Agreement in a manner such that the conditions set forth in Sections 9.1(a) or 9.1(b) are not met, and Sellers have not cured such failure to perform or breach within thirty (30) days after delivery of written notice from Buyer ("Seller's Breach");

(d) By Buyer, as specifically provided in Section 8.4, Sections 14.1 and 14.2;

(e) By Seller, if Buyer fails to perform or breaches in any material respect any of its obligations, representations, warranties, covenants or duties under this Agreement (in a manner such that the conditions set forth in Sections 9.2(a) or 9.2(b) are not met), and Buyer has not cured such failure to perform or breach within thirty (30) days after delivery of written notice from Seller ("Buyer's Breach"), or as specifically provided in Section 14.1, provided, that Buyer's failure to consummate the Closing as required hereunder shall have a cure period of three (3) business days;

(f) By any party, if the FCC denies the FCC Application, or if the FCC Application is designated for a hearing; or

(g) By any party, if the Closing has not occurred within four (4) months of the Closing Date, or if the satisfaction of a condition to the terminating party's obligations to

consummate the transactions contemplated by this Agreement shall become reasonably impracticable; *provided, however*, that a party may not terminate this Agreement under this subsection if such party's breach, misrepresentation or failure to fulfill any material obligation under this Agreement is the cause of, or has resulted in, the failure of the Closing to occur or the condition being reasonably impracticable to satisfy.

ARTICLE 14. DAMAGE TO TRANSLATOR ASSETS

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14.1 Risk of Loss. The risk of loss to any of the Translator Assets prior to the Closing shall be upon Seller ~~(unless such loss was caused by an act or omission of Buyer in performance of the LMA)~~. In such event Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Station Asset valued in excess of \$5,000, *provided, however*, that in the event that Translator Assets with a value of greater than Fifty Thousand Dollars (\$50,000) are damaged or lost as of the date otherwise scheduled for Closing, Buyer may, at its option, either (i) postpone Closing for a period of up to sixty (60) days while Seller repairs or replaces such Translator Assets, or (ii) elect to close with the Translator Assets in their current condition, in which case Sellers shall assign all proceeds from insurance on such lost or damaged Translator Assets to Buyer, and Buyer shall assume the responsibility to repair or replace the Translator Assets thereafter; or (iii) Buyer may terminate this Agreement. Seller shall have no responsibility to repair or replace damaged or destroyed Translator Asset if the damage is caused by an act or omission of Buyer or the cost of such repair (to the extent not covered by insurance) is less than Five Thousand Dollars (\$5,000) or exceeds Fifty Thousand Dollars (\$50,000); if the extent of damage not covered by insurance exceeds Fifty Thousand Dollars (\$50,000), Seller may terminate this Agreement without penalty upon written notice to Buyer, *provided, however*, that Buyer may, upon receipt of such notice, waive Seller's responsibility for any repair cost above the amount of applicable insurance coverage plus \$50,000, and proceed to Closing, assuming the cost of all additional repairs.

14.2 Transmission Default. Should any Translators (i) not operate for any period in excess of forty eight (48) consecutive hours, or (ii) not operate at more than 90% of their maximum authorized power for a period of five (5) consecutive days before the Closing (unless by agreement with Seller), or (iii) shall not be operating at more than 90% of maximum authorized power (unless by agreement with Seller) as of the scheduled Closing Date (each a "Transmission Default"), and it is reasonably expected that the Transmission Default could be remedied within a reasonable time, Buyer may postpone the Closing for a period of up to sixty (60) days while Sellers attempt to cure the Transmission Default condition, and if such cure occurs within such sixty (60) day period, then the parties shall consummate the transaction at the earliest practicable date thereafter, subject to satisfaction or waiver of the conditions set forth in ARTICLE 9.

ARTICLE 15. MISCELLANEOUS PROVISIONS

15.1 Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign this Agreement or any right or obligation hereunder without the prior written consent of the other party. Notwithstanding anything to the contrary, no such assignment by Buyer shall relieve Buyer of any of its obligations hereunder, and Sellers shall

remain entitled to enforce any of its rights under this Agreement against Buyer as if no such assignment had been made.

15.2 Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

15.3 Governing Law. This Agreement and the rights of the parties hereto shall be governed, construed and interpreted in accordance with the internal laws of the State of Colorado, without giving effect to the conflicts of law principles thereof. Exclusive jurisdiction and venue for any legal action instituted relating to this Agreement or the transaction contemplated hereby shall be in the state and federal courts sitting in Denver, Colorado; the parties hereby waive any objection that Denver, Colorado and the courts sitting therein are an inconvenient forum for any such legal action.

15.4 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

15.5 Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

15.6 Construction. The language used in this Agreement will be deemed to be language chosen by the parties to express their mutual intent. In the event an ambiguity or question of intent arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any person or entity by virtue of the authorship of any of the provisions of this Agreement.

15.7 Attorneys' Fees. Should any party hereto institute any action or proceeding at law or in equity to enforce any provision of this Agreement, including an action for declaratory relief, or for damages by reason of an alleged breach of any provision of this Agreement, or otherwise in connection with this Agreement, or any provision hereof, the prevailing party shall be entitled to recover from the losing party or parties reasonable attorneys' fees and costs for services rendered to the prevailing party in such action or proceeding.

15.8 Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing. Assuming that the contents of a notice meet the requirements of the specific Section of this Agreement which mandates the giving of that notice, a notice shall be validly given or made to another party if served either personally or if deposited in the United States mail, certified or registered, postage prepaid, or if transmitted by telegraph, teletype or other electronic written transmission device or if sent by overnight courier service, and if addressed to the applicable party as set forth below. If such notice, demand or other communication is served personally, service shall be conclusively deemed given at the time of such personal service. If such notice, demand or other communication is given by mail, service shall be conclusively deemed given seventy-two (72) hours after the deposit thereof in the United States mail. If such

notice, demand or other communication is given by overnight courier, or electronic transmission, service shall be conclusively deemed given at the time of confirmation of delivery. The addresses for the parties are as follows:

If to Buyer to:

ADDRESS:

Karen Sue Russell Fox
1125 Maple Ct
Broomfield Colorado 80020

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

Edward S Waitkus, Attorney
1790 30th Street Ste 420
Boulder Colorado 80301

If to Sellers to:

Skandia LLC
10459 Rivington Court
Lone Tree, CO 80124

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

Jon Gilbertson
10459 Rivington Court
Lone Tree, CO 80124

Any party hereto may change its or his address for the purpose of receiving notices, demands and other communications as herein provided, by a written notice given in the aforesaid manner to the other parties hereto.

15.9 Entire Agreement. This Agreement, the Schedules, the Disclosure Schedules and Exhibits attached hereto and the ancillary documents provided for herein, constitute the entire agreement and understanding of the parties hereto relating to the matters provided for herein and supersede any and all prior agreements, arrangements, negotiations, discussions and understandings relating to the matters provided for herein. All Exhibits, Schedules and Disclosure Schedules attached hereto or to be delivered in connection herewith are incorporated herein by this reference.

15.10 Waivers. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver

constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

15.11 No Third Party Beneficiaries. Except for the rights in favor of Buyer Indemnified Parties and Seller Indemnified Parties under ARTICLE 14, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity, other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

15.12 Counterparts. This Agreement and any ancillary document hereto may be executed in counterpart signature pages, and each such counterpart signature page shall constitute one and the same original signature page. The exchange of copies of this Agreement and of signature pages hereto by facsimile or electronic mail in portable document format (PDF) shall constitute effective execution and delivery of this Agreement. Signatures of the parties transmitted by facsimile or electronic mail in portable document format shall be deemed to be the parties' original signatures for all purposes.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the date and year first above written.

BUYER:
Krayon's Wild Basin, LLC

By: Karen S. Russell Fox
Name: Karen Sue Russell Fox
Title: Manager/Member

SELLER:
Skandia LLC

By: Jon Gilbertson
Name: Jon Gilbertson
Title: Owner