

## ***ASSET PURCHASE AGREEMENT***

THIS AGREEMENT, is dated the 31 day of MAY, 2013, by and between ROBERT HIBBERT, an individual ("Seller") and FARRELL ENTERPRISES, LLC, an Arizona limited liability company ("Buyer"):

**WHEREAS**, Seller is the permittee of FM Translator Station K277BX, Star Valley, Arizona, 103.3 mHz [Facility ID 144556] ("the Station"); and

**WHEREAS**, the parties both acknowledge and agree that the current status of the Station is as follows: an unbuilt construction permit which is off the air; and

**WHEREAS**, Seller and Buyer believe that the public interest, convenience and necessity would be well served by consummation of the transaction outlined and described herein; and

**WHEREAS**, the grant by the FCC of an application on FCC Form 314 for Commission consent for assignment of the construction permit of the Station (which application will contain this Agreement) is an express condition precedent to the obligation of the Buyer to consummate this Agreement:

**NOW, THEREFORE**, the parties agree as follows:

### **1. ASSETS TO BE SOLD.**

In consideration for the payments and other good and valuable consideration stated in the paragraphs below, and upon the terms and conditions set forth hereon, on the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer free and clear of all lines, claims, encumbrances, security interests, charges and restrictions ("Liens"), except as specifically stated in Paragraph 3 below, all of the assets described as follows (hereafter "the Sale Assets"):

a. All of Seller's right, title and interest tot he permit granted by the Commission for the operation of the Station, such permit to expire on April 17, 2016, and all of its related broadcast auxiliary stations (if any), together with any renewals, extensions or modifications thereof, as listed on Schedule A attached hereto and incorporated by reference herein (the "Permits/Licenses");

b. All of Seller's right, title and interest in and to the call letters "K277BX" (or, should they be changed prior to the Closing Date, the call letters used by the Station on the Closing Date;

c. All goodwill associated with the Station acquired on or before the Closing Date.

### **2. CONSIDERATION.**

The purchase price for the Sale Assets is One Thousand Dollars (\$1,000.00), to be paid to Seller, or his assigns, in cash on the Closing Date.

a. All taxes and assessments, utility bills and other ongoing costs of usual operation of the Station shall be prorated up to the date of Closing. All sales or use taxes, transfer taxes, and similar taxes and fees incurred up to the date of the Closing, together with any costs of recordation, filing fees or the like, and taxes incurred subsequent to the Closing Date, shall be allocated between Buyer and Seller and paid according to legal requirements and prevailing practice in the State of Arizona. With respect to the payment of annual FCC regulatory fees for the Station, this fee shall be subject to proration between the parties at Closing.

**3. NO LIABILITIES ASSUMED OTHER THAN THOSE EXPRESSLY DISCLOSED.**

The parties hereto agree and understand that this Agreement is for a sale and purchase of the Sale Assets free and clear of all Liens. Therefore, Buyer does not assume, pay or discharge any debts or obligations of Seller with respect to the Station. Any and all liabilities pertaining to the Station which are incurred by or on behalf of the Station subsequent to the Closing Date may only be incurred by the Buyer and shall be discharged by the Buyer. Buyer agrees to hold Seller harmless with respect to any liabilities incurred by Buyer subsequent to Closing.

**4. FCC CONSENT AND AGREEMENTS TO COOPERATE.**

It is understood and agreed by all parties that the prior written consent of the FCC to an application on FCC Form 314 (the "Application") for consent to the voluntary assignment of the permit of the Station is required before consummation of this Agreement can occur. The parties agree to file the required FCC Form 314 application within ten (10) business days of the date first written above. Each Party shall pay its own legal fees and other expenses incurred with the preparation and execution of this Agreement and the Application. Buyer and Seller shall share payment of the required FCC application filing fee (currently \$140.00). The parties agree and pledge to each other total mutual cooperation to achieve approval by the FCC of the Application, including but not limited to prosecuting the Application in good faith and in due diligence so as to achieve grant and finality thereof as expeditiously as practicable, and to take no action to delay or defeat approval.

**5. CLOSING DATE.**

For purposes of this Agreement, the Closing Date shall be a weekday not later than the tenth (10th) business day subsequent to the date upon which the action of the FCC granting consent to the assignment of license of the Station from Seller to Buyer (the "FCC Consent") is issued. In the event a petition to deny or informal complaint is filed against the assignment application, the Closing Date shall occur once the FCC Consent becomes final and no longer subject to administrative or judicial action, review, rehearing or appeal. Closing shall take place at the such place as is mutually satisfactory to the parties, not later

than 5:00 p.m. Eastern Time on the last day for Closing under this Paragraph; provided that Buyer shall have the sole right to close at any time subsequent to receipt of FCC staff approval of this transaction, subject to giving Seller five (5) business days' advance notice of the closing date.

**6. TIME OF THE ESSENCE.**

Time is of the essence in the completion of this Agreement and the consummation thereof.

**7. SELLER'S REPRESENTATIONS AND WARRANTIES.**

Seller represents and warrants to Buyer, the truth and accuracy of each of the following being expressly material to Buyer's execution of this Agreement, as follows:

a. **Organization, Standing and Authority.** Seller is a Texas limited liability company which was validly formed, is currently in existence, and is in good standing with the State of Texas, and possesses the requisite corporate and legal authority and capacity (i) to own, lease, and use the Sale Assets as now owned, leased, and used, (ii) to conduct the business and operations of the Station as now conducted, and (iii) to execute and deliver this Agreement and the documents contemplated hereby and thereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Seller hereunder and thereunder. Seller is not a participant in any joint venture or partnership with any other person or entity with respect to any part of the operations of the Station or any of the Sale Assets.

b. **Authorization and Binding Obligation.** The execution, delivery, and performance of this Agreement by Seller have been duly authorized by all necessary actions on the part of Seller. This Agreement have been duly executed and delivered by Seller and constitute the legal, valid, and binding obligations of Seller, enforceable against it in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies.

c. **Absence of Conflicting Agreements.** The execution, delivery, and performance by Seller of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third Parties; (ii) will not conflict with any provision of the organizational documents of Seller; (iii) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Seller is a Party or by which Seller may be bound; and (v) will not create

any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon any of the Sale Assets.

d. **Governmental Licenses.** Schedule A includes a true and complete list of the Permits/Licenses. Seller has delivered to Buyer true and complete copies of the Permits/Licenses (including any amendments and other modifications thereto). Seller is the authorized legal holder of the Permits/Licenses. The Permits/Licenses listed on Schedule A comprise all of the licenses, permits, and other authorizations required from any governmental or regulatory authority for the lawful conduct of the business and operations of the Station and none of the Permits/Licenses is subject to any restriction or condition not disclosed therein that would limit the full operation of the Station. To Seller's knowledge, the Permits/Licenses are in full force and effect, and the conduct of the business and operations of the Station is in accordance therewith in all material respects. To Seller's knowledge, there are no FCC enforcement proceedings or investigations ongoing pertaining to the Station and Seller has no knowledge of or reason to believe that any such proceedings or investigations are pending or threatened against the Station. To Seller's knowledge, all of the Station's regulatory fees have been paid.

e. **Consents.** Except for the FCC Consent described in Paragraph 4, above, no consent, approval, permit, or authorization of, or declaration to or filing with any governmental or regulatory authority, or any other third Party is required (i) to consummate this Agreement and the transactions contemplated hereby, or (ii) to permit Seller to assign or transfer the Assets to Buyer

f. **Intangibles.** All intangible personal property (the "Intangibles") subject to this Agreement, to Seller's knowledge, is valid, in good standing and uncontested. Seller has delivered to Buyer copies of all documents establishing or evidencing the Intangibles. To Seller's knowledge, it is not infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, copyrights, patents, patent applications, know-how, methods, or processes owned by any other Person or Persons, and there is no claim or action pending, or to Seller's knowledge threatened, with respect thereto.

g. **Reports; "Red Light Rule".** All material reports, and statements that Seller is currently required to file with the FCC or with any other governmental agency with respect to the Station have been or will be filed as of the Closing Date, and all reporting requirements of the FCC and other governmental authorities having jurisdiction over Seller with respect to the Station have been or will be, as of the Closing Date, complied with in all material respects. All of such reports, and statements are or will be, as of the Closing Date, substantially complete and correct as filed. Seller has timely paid to the FCC all annual regulatory fees payable with respect to the FCC Licenses required to be paid by Seller; Seller owes no non-tax debt to the federal government; and Seller has determined that it is not in violation of the FCC's "red light rule". Should an Antenna Structure Registration Number

be required for the tower(s) at the Station's proposed transmitter site, Buyer will obtain the same and will cooperate with Seller in the securing of said Number

h. **Taxes.** Seller has filed or caused to be filed all federal income tax returns and all other federal, state, county, local, or city tax returns which are required to be filed, and it has paid or caused to be paid all taxes shown on those returns or on any tax assessment received by it to the extent that such taxes have become due, or has set aside on its books adequate reserves (segregated to the extent required by generally accepted accounting principles) with respect thereto. To Seller's knowledge, there are no governmental investigations or other legal, administrative, or tax proceedings pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Buyer as transferee of the business of the Station, and no event has occurred that would impose on Buyer any transferee liability for any taxes, penalties, or interest due or to become due from Seller.

i. **Claims and Legal Actions.** Except for (1) any investigations or rulemaking proceedings generally affecting the broadcasting industry, there is no claim, legal action, counterclaim, suit, arbitration, governmental investigation or other legal, administrative, or tax proceeding, nor any order, decree or judgment, in progress or pending, or to Seller's knowledge threatened, against or relating to Seller with respect to its ownership or operation of the Station or otherwise relating to the Assets or the business or operations of the Station in particular, but without limiting the generality of the foregoing, there are no applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened (i) before the FCC relating to the business or operations of the Station other than rule making proceedings which affect the radio industry generally, (ii) before any federal or state agency relating to the business or operations of the Station involving charges of illegal discrimination under any federal or state employment laws or regulations, or (iii) before any federal, state, or local agency relating to the business or operations of the Station involving environmental, zoning or planning issues under any federal, state, or local zoning law, rule, or regulation.

j. **Compliance With Laws.** Seller has complied in all material respects with the Permits/Licenses and all federal, state, and local laws, rules, regulations, and ordinances applicable or relating to the ownership and operation of the Station, including but not limited to all such laws, rules, regulations and ordinances related to the environment. To the best of Seller's knowledge, neither the ownership, nor use of the properties of the Station, nor the conduct of the business or operations of the Station conflicts with the rights of any other person or entity.

k. **Full Disclosure.** No representation or warranty made by Seller in this Agreement or in any financial statement, profit and loss statement, balance sheet, certificate, document, or other instrument furnished or to be furnished by Seller pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any

material fact required to make any statement made herein or therein not misleading. There are no contingent or undisclosed liabilities; and in the event that there are any contingent or undisclosed liabilities, Seller will be solely liable for any and all of them.

8. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants to Seller, the truth and accuracy of each of the following being expressly material to Seller's execution of this Agreement, as follows:

a. **Organization, Standing and Authority.** Buyer will be a limited liability company. Buyer has all requisite legal power and authority (i) to own, lease, and use the Sale Assets as now owned, leased, and used, (ii) to conduct the business and operations of the Station, and (iii) to execute and deliver this Agreement and the documents contemplated hereby and thereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Seller hereunder and thereunder.

b. **Authorization and Binding Obligation.** The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitute the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

c. **Absence of Conflicting Agreements.** Subject to obtaining the Consents, the execution, delivery, and performance by Buyer of this and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third Party; (ii) will not conflict with the corporate charter or other organizational documents of Buyer; (iii) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; or (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Buyer is a Party or by which Buyer may be bound, such that Buyer could not acquire or operate the Sale Assets.

d. **Qualification.** Buyer is legally and financially qualified under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC to acquire the Station and no waiver will be necessary under the rules, regulations and policies of the FCC for Buyer to acquire the Station.

e. **Full Disclosure.** No representation or warranty made by Buyer in this Agreement or in any certificate, document, or other instrument furnished or to be furnished by Buyer pursuant hereto contains or will contain any untrue statement of a material fact, or

omits or will omit to state any material fact and required to make any statement made herein or therein not misleading.

f. **Claims and Legal Actions.** There is currently no Litigation pending or to the knowledge of Buyer, threatened, against or relating to Buyer that would prevent or materially impede the consummation of the transactions contemplated by this Agreement, nor does Buyer know of any basis, including performance of Buyer's obligations set forth herein, for such Litigation. Buyer is not subject to any order, judgment, writ, injunction or decree of any court or governmental agency or entity which could have a material adverse affect on its ability to consummate the transactions contemplated herein.

9. **CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS.**

The obligations of Buyer under this Agreement are, at its election, subject to the fulfillment on or prior to the Closing Date of each of the following conditions precedent:

a. That the Application be granted, and without the imposition on Buyer of any material conditions (*i.e.*, conditions other than standard conditions and instructions pre-printed on FCC Form 732) requiring Buyer's compliance and Seller shall have complied with any conditions imposed on it by the FCC Consent.

b. Seller shall be the holder of all FCC Permits/Licenses and there shall not have been any modification of any FCC Permit/License that could have a materially adverse effect on the Station or the conduct of its business and operations. No proceeding shall be pending or threatened the effect of which could be to revoke, cancel, fail to renew, suspend, or modify adversely any FCC License.

c. That all representations and warranties of Seller contained in this Agreement shall be true and complete in all respects at and as of the Closing Date as though made at and as of that time except to the extent that breaches of the representations and warranties of Seller do not individually or in the aggregate materially adversely affect the Stations taken as a whole;

d. That Seller shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

e. Seller shall have made or stand willing to make all the deliveries to Buyer set forth in Paragraph 11 below.

f. No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any Party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby.

**10. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS.**

The obligations of Seller under this Agreement are, at its election, subject to the fulfillment on or prior to the Closing Date of each of the following conditions precedent:

a. That the Application be granted without the imposition on Seller of any material conditions (i.e., conditions other than standard conditions and instructions pre-printed on FCC Form 732) requiring Seller's compliance, and Buyer shall have complied with any conditions imposed on it by the FCC Consent.

b. All representations and warranties of Buyer contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time, except for changes contemplated by this Agreement.

c. Buyer shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

d. Buyer shall have made or stand willing to make all the deliveries set forth in Paragraph 12 below.

e. No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any Party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby.

**11. CLOSING DELIVERIES BY SELLER.**

At the time and place prescribed in Paragraph 5 above, Seller shall make the following Closing Deliveries to Buyer:

a. **Transfer Documents.** Duly executed bills of sale, assignments (including an assignment of the FCC Permits/Licenses), and other transfer documents which shall be sufficient to vest good and marketable title to the Assets in the name of Buyer, free and clear of all claims, liabilities, security interests, mortgages, liens, pledges, conditions, charges or encumbrances. .

b. **Officer's Certificate.** A certificate, dated as of the Closing Date, executed on behalf of Seller by an officer of Seller, certifying (1) that the representations and warranties of Seller contained in this Agreement are true and complete in all respects as of the Closing Date as though made on and as of that date except to the extent that breaches of the representations and warranties of Seller do not individually or in the aggregate materially adversely affect the Station taken as a whole; and (2) that Seller has in all material respects performed and complied with all of its obligations, covenants, and agreements set forth in this Agreement to be performed and complied with on or prior to the Closing Date.



**12. CLOSING DELIVERIES BY BUYER.**

At the time and place prescribed in Paragraph 5 above, Buyer shall make the following Closing Deliveries to Seller:

a. **Purchase Price.** The purchase price as described in Paragraph 2 above, plus or minus any closing adjustments.

b. **Buyer's Certificate.** A certificate, dated as of the Closing Date, executed by Buyer, certifying (1) that the representations and warranties of Buyer contained in this Agreement are true and complete in all material respects as of the Closing Date as though made on and as of that date, and (2) that Buyer has in all material respects performed and complied with all of its obligations, covenants, and agreements set forth in this Agreement to be performed and complied with on or prior to the Closing Date.

**13. PUBLIC NOTICES.**

Buyer shall prepare and give at its expense all public notices as are required pursuant to 47 C.F.R.73.3580.

**14. BENEFIT AND BINDING EFFECT; SUCCESSORS AND ASSIGNS.**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither Party hereto may assign this Agreement without the prior written consent of the other Party hereto provided; however, that Buyer may assign its rights and obligations under this Agreement, in whole or in part, to one or more subsidiaries or commonly controlled affiliates of Buyer without seeking or obtaining Seller's prior approval. Upon any permitted assignment by Buyer or Seller in accordance with this Paragraph, all references to "Buyer" herein shall be deemed to be references to Buyer's assignee and all references to "Seller" herein shall be deemed to be references to Seller's assignee, as the case may be.

**15. FURTHER ASSURANCES.**

The parties shall take any reasonable actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement, including, in the case of Seller, any additional bills of sale, deeds, or other transfer documents that, in the reasonable opinion of Buyer, may be necessary to ensure, complete, and evidence the full and effective transfer of the Sale Assets to Buyer pursuant to this Agreement.

**16. GOVERNING LAW.**

This Agreement shall be governed, construed and enforced by and in accordance with the laws of the State of Arizona, without regard to the "Choice of Law" provisions thereof.

**17. HEADINGS.**

The headings of the paragraphs of this Agreement are for the convenience of the parties only, and do not in any way modify, interpret or construe the meaning of the provisions hereof.

**18. GENDER AND NUMBER.**

Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires.

**19. NOTICES.**

All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, by facsimile, by e-mail, or sent by commercial delivery service or registered or certified mail, return receipt requested, (c) deemed to have been given on the date of personal delivery, the facsimile, the e-mail or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

**If to Seller:** Robert Hibbert  
965 NW Hillside Parkway  
McMinnville, Oregon 97128

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

J. Dominic Monahan  
Luvaas Cobb  
777 High Street, Suite 300  
Eugene, OR 97401-2787

**If to Buyer:** Farrell Enterprises LLC  
Attn: Michael Farrell  
500 E. Taylor Parkway  
Payson, Arizona 85541

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

Farrell Enterprises LLC  
Attn: Michael Farrell  
500 E. Taylor Parkway  
Payson, Arizona 85541

**20. ENTIRE AGREEMENT.**

This Agreement, the schedules, hereto, and all documents, certificates, and other documents to be delivered by the parties pursuant hereto, collectively represent the entire understanding and agreement between Buyer and Seller with respect to the subject matter hereof. This Agreement supersedes all prior negotiations between the parties and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and which is signed by the Parties against which enforcement of any such amendment, supplement, or modification is sought.

**21. WAIVER OF COMPLIANCE; CONSENTS.**

Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the Parties entitled to the benefits thereof only by a written instrument signed by the Parties granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any Parties hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this paragraph.

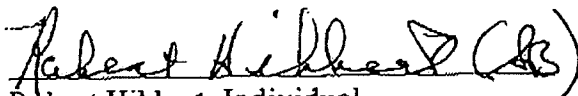
**22. COUNTERPARTS.**

This Agreement may be signed in one or more counterparts, each of which shall be considered an original counterpart, and shall become a binding Agreement when the parties shall have each executed one counterpart.

*IN WITNESS WHEREOF*, the parties hereto have executed this agreement as of the day and year first written above.

**SELLER**

ROBERT HIBBERT

  
Robert Hibbert, Individual

**BUYER**

FARRELL ENTERPRISES LLC

  
Michael E. Farrell, Member