

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of February 22, 2017, by and between, **Alexandra Communications, Inc.**, a Washington Corporation ("Seller") and **Radio Station KMJY, LLC**, a Washington Limited Liability Company ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of FM Translator Station K239CL, Spokane, WA, Facility ID #147992, (the "Station"), pursuant to an authorization issued by the Federal Communications Commission (the "FCC");

WHEREAS, the Seller and Buyer are parties to an Option Agreement dated as of January 20, 2017 (the "Option") pursuant to which Buyer was granted the unilateral option to purchase the Station;

WHEREAS, pursuant to the Option, Buyer now desires to exercise its option to purchase the Station from Seller and Seller agrees to sell the Station to Buyer, pursuant to the terms and conditions of the Option and those contained herein; and

WHEREAS, FCC authorizations may be assigned only with the prior consent of the FCC.

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

1. **Sale of Assets.** On the Closing Date (as hereinafter defined), Seller agrees to sell, transfer, assign, convey and deliver to Buyer all of the right, title and interest of Seller in and to those certain assets and properties of Seller owned or held by Seller and used or useful solely in connection with the operation of the Station (the "Assets"), which are limited to all FCC licenses, permits and authorizations to operate the Station (the "FCC Authorizations") together with all licenses, permits and authorizations issued by any other governmental authority in connection with the operation of the Station, as fully described on Schedule 1 attached hereto and incorporated herein by reference;

2. **Purchase Price.** In consideration of the sale and assignment of the Assets to Buyer, Buyer shall pay to Seller the cash sum set forth on Schedule 2 attached hereto and incorporated herein by reference (the "Purchase Price") at Closing.

3. **FCC Consent; Assignment Application.** Seller and Buyer acknowledge that the assignment of the FCC Authorizations is subject to the prior consent of the FCC ("FCC Consent"). Within three (3) business days of the mutual execution of this Agreement, Seller and Buyer shall jointly file with the FCC an application for assignment of the FCC Authorizations (the "Assignment Application") from Seller to Buyer. Seller and Buyer shall thereafter prosecute the Assignment Application with all reasonable diligence and otherwise use their best efforts to

obtain the grant of the Assignment Application as expeditiously as practicable.

4. **Closing Date.** The closing (the “*Closing*”) of the transaction contemplated by this Agreement shall occur on a date mutually agreed upon by Buyer and Seller not more than five (5) days following the date on which the FCC Consent has been granted and satisfaction of the conditions specified in Section 8 herein.

5. **Seller’s Representations, Warranties and Other Obligations.** Seller represents and warrants that:

(a) Seller is a Corporation, in good standing in the State of Washington, and fully licensed to conduct business in the State of Washington. The execution and performance of this Agreement does not constitute a violation, breach, or default under any law, regulation, agreement or other obligation to which Seller is or will become subject.

(b) At Closing, Seller will be the authorized legal holder of the FCC Authorizations.

(c) The FCC Authorizations are in full force and effect and has not been modified, revoked, canceled or rescinded.

(e) At Closing, Buyer shall receive clear and unencumbered title to the Assets.

6. **Buyer’s Representations and Warranties.** Buyer represents and warrants that:

(a) Buyer is a Limited Liability Company, formed in the State of Washington, and has the right, power and authority, and has taken all necessary action, to enter into this Agreement and to fully perform all of its obligations under this Agreement.

(b) The execution and performance of this Agreement does not constitute a violation, breach, or default under any law, regulation, agreement or other obligation to which Buyer is or will become subject.

(c) Buyer is legally, financially and otherwise qualified under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC, to become the licensee of the Station and to consummate the transactions contemplated herein. There are no proceedings, complaints, notices of forfeiture, claims, and investigations pending or, to the knowledge of Buyer, threatened against any or in respect of any of the broadcast stations licensed to Buyer or its affiliates that would materially impair the qualifications of Buyer to become a licensee of the Station.

7. **Further Assurances.** Each party shall, from time to time at the request of, and without further cost or expense to the other, execute and deliver such other instruments and take such other actions as may reasonably be requested in order to more effectively consummate the

transactions contemplated hereby.

8. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Seller hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Buyer shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer prior to or as of the Closing Date.

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

(iii) The FCC Consent shall have been issued without any condition that would have a material adverse effect upon Seller.

(iv) Buyer shall have delivered to Seller on the Closing Date the Purchase Price as provided for in Section 2 hereinabove.

(b) The performance of the obligations of Buyer hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Seller shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by Seller prior to or as of the Closing Date.

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

(iii) The FCC Consent shall have been issued without any condition that would have a material adverse effect upon Buyer.

9. **Closing Deliveries.**

(a) At the Closing, Seller shall deliver to Buyer such documents, instruments and agreements as Buyer shall request and as shall be reasonably necessary to consummate the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to counsel for Buyer, including, but not necessarily limited to an Assignment of FCC Authorization (this assignment to be a condition precedent to the Closing).

(b) At the Closing, Buyer shall deliver to Seller such documents, instruments and agreements as Seller shall request and as shall be reasonably necessary to consummate the

transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to counsel for Seller.

10. **Termination.** This Agreement may be terminated prior to Closing (a) by mutual written consent of Buyer and Seller; or (b) in the event either party is in default of this Agreement, by the non-defaulting party.

11. **Miscellaneous.**

(a) This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their heirs, successors, executors, legal representatives and assigns, provided however that neither party hereto may voluntarily assign this Agreement without the express written consent of the other party.

(b) 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.

(c) The construction and performance of this Agreement shall be governed by the laws of the State of Washington, without regard for that state's choice of law rules.

(d) Any cause of action arising out of this Agreement must be brought in the State or Federal courts having jurisdiction in Spokane, Washington. Each party hereby agrees to submit to the jurisdiction of such courts. Any action brought to enforce a judgment or order of such court shall not be so limited.

(e) This Agreement embodies the entire agreement and understanding of the parties hereto relating to the matter provided for herein, and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

(f) No amendment, waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

(g) Except as otherwise provided for in this Agreement, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All fees and charges applicable to any requests for the FCC Consent shall be shared equally by both parties. The parties agree that there has been no broker or finder other than MCH Enterprises, Inc., which has represented the parties and whose fees shall be paid solely by Buyer.

(h) This Agreement has been negotiated in good faith and prepared jointly by Seller and Buyer. Each party has had the opportunity to obtain the advice of counsel with respect to the drafting and implementation of this Agreement. No provision herein shall be construed against either party on the grounds that it was drafted by that party.

13. **Notices.** All notices and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller to:

Thomas D. Hodgins, President
Alexandra Communications, Inc.
1600 Gray Lynn Dr.
Walla Walla, WA 99362
Phone: 509.527.1000
Email: tom@kujam.com

If to Buyer to:

George F. Lucas, Controller
Radio Station KMJY, LLC
c/o HS&WT, LLC
1203 Highgate Ct.
Libertyville, IL 60048
Phone: 847.982.0333
Email: georgel@mcsso.net

or to such other address or addresses as the parties may from time to time specify in writing. Notice shall be deemed effective upon the earlier of actual delivery to the recipient or three days after the date on which such notice was postmarked, certified or delivered to the courier service. If notice is sent in any manner other than as provided by this section, notice shall be deemed received when actually received by the party to whom the notice was delivered.

14. **Counterparts.** This Agreement may be signed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be signed and exchanged by facsimile transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

15. **Mutual Right of Indemnification**

(a) Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of

any of its representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Assets and the Station prior to the Closing.

(b) Buyer shall indemnify, defend and hold Seller harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in the Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station as conducted by Buyer subsequent to the Closing and/or with respect to any contingent applications pertaining to the Station proposed, prepared, filed and/or prosecuted by Buyer or on Buyer's behalf prior to the Closing.

(c) If either party hereto (the "Indemnitee") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "Indemnifying Party") may be obligated to indemnify the Indemnitee under this Section, then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided that such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

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

16. **Specific Performance.**

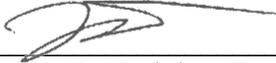
(a) In the event of a default by Seller under this Agreement, Buyer shall be entitled to seek specific performance to compel Seller to correct or satisfy its default or material breach and to comply with the terms and conditions of this Agreement. Seller agrees that

specific performance is an appropriate remedy due to the unique nature of the Station, and agrees that it will not contest any such action on the ground that an adequate remedy at law exists.

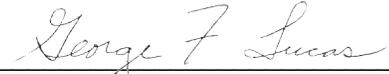
(b) In the event of a default by Buyer under this Agreement, Seller shall be entitled to seek liquidated damages in an amount not to exceed the Purchase Price.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

SELLER
ALEXANDRA COMMUNICATIONS, INC.

By: 
Thomas D. Hodgins, President

BUYER
RADIO STATION KMJY, LLC, by authority of
HW&WT, LLC, Its Managing Member

By: 
George F. Lucas, Controller – RADIO STATION KMJY, LLC

SCHEDULE 1

FCC Authorizations:

1. FCC License:
BLFT-20161205ABC

2. Application for Authority to Construct or Make Changes in an FM Translator or FM Booster Station (Pending):
BPFT-20170203ABP

Tangible Personal Property:

No tangible personal property is being transferred as a part of this transaction. Buyer will be replacing all operating equipment with equipment of its choosing and the original property will revert to Seller.

Contracts, Leases, and Agreements:

No third party agreements are being assigned in conjunction with this transaction. Buyer will be entering into a new transmission site lease in its own stead.

SCHEDULE 2
Purchase Price

The Purchase Price to be paid for the Assets is Forty Two Thousand Dollars (\$42,000.00). Buyer's account shall be credited an amount of Twenty-One Thousand Dollars (\$21,000.00) previously paid to secure the Option to purchase the Station. The balance of the Purchase Price shall be paid by Buyer at Closing via wire transfer of funds or delivery via cashier's check or banker's equivalent in the amount of Twenty-One Thousand Dollars (\$21,000.00).