

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made on this 9th day of August, 2018, by and between AUDION COMMUNICATIONS, LLC, a Utah limited liability company (“Seller”), and REDROCK BROADCASTING, INC., a Utah Corporation (“Buyer”). Seller and Buyer are sometimes individually referred to in this Agreement as a “Party” and collectively as the “Parties.”

WITNESSETH

WHEREAS, Seller desires to convey all rights, title, and interest in and to substantially all of the assets of FM Broadcast Station KSGX Toquerville, Utah (FCC Facility ID No. 198815) (the “Station”), subject to the terms and conditions stated herein; and

WHEREAS, Buyer desires to receive and own the Station and its assets under the terms and conditions stated herein; and

WHEREAS, the consummation of this Agreement is subject to the prior approval of the Federal Communications Commission (the “FCC”).

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is hereby agreed as follows:

1. **ASSETS**. Subject to the prior approval of the FCC, Seller agrees to transfer, assign, convey, and deliver to Buyer, and Buyer agrees to receive and accept, free and clear of all liabilities, debts, liens, charges, assessments and encumbrances of any kind, the following:

- (a) all licenses, construction permits, authorizations or other rights of any kind issued or granted by the FCC to Seller with respect to the Station (collectively the “FCC Licenses”) as listed in Schedule 1 (a);
- (b) the real property lease used in the operation of the Station’s transmitter facility (“Real Property Lease”) listed in Schedule 1(b);
- (c) the broadcast equipment of the Station (the “Equipment”) listed in Schedule 1(c); and
- (d) all FCC files and records pertaining to the Station (“FCC Records”).

The schedules as identified in the foregoing are attached hereto and made a part hereof. The FCC Licenses, Real Property Lease, Equipment, and FCC Records, are sometimes collectively referred to in this Agreement as the “Assets.” Seller will retain Seller any other asset not specifically identified on Schedules 1(a) through 1(d) hereto.

Buyer assumes no liabilities, debts, or obligations, including without limitation, for Station’s personnel or employment contracts, retirement obligations, or any contracts, obligations, or leases of Seller except as set forth in Schedule 1(b) as to the Real Property Lease. Buyer assumes no

liability for periods on or before the Closing Date (as defined below) under any lease or contract or for any other liability, debt or obligation of Seller, including without limitation, any which may have accumulated or accrued on any contracts, leases, or agreements on or before the Closing Date.

2. **PURCHASE PRICE, ESCROW AGREEMENT.**

(a) Purchase Price. The purchase price for the Assets is Two Hundred Twenty-Five Thousand Dollars (\$225,000.00) (the "Purchase Price").

(b) Escrow Agreement. Upon execution and delivery of this Agreement, Buyer shall deposit the amount of Twenty-two Thousand Five Hundred Dollars (\$22,500.00) (the "Escrow Deposit") subject to an escrow agreement attached hereto as Exhibit 1 (the "Escrow Agreement"). At the Closing, the Escrow Deposit shall be delivered to Seller as a credit against the Purchase Price.

3. **SELLER'S COVENANTS AND WARRANTIES.** Seller hereby covenants and warrants as follows:

(a) The FCC Construction Permit is in full force and effect.

(b) Seller is aware of no litigation, proceeding, or investigation pending or threatened against or relating to Seller, its business, or the Assets to be transferred hereunder, and knows of no reason why the FCC Licenses would not be renewed in the ordinary course.

(c) Seller has good and marketable title to all owned Assets associated with the station.

(d) Seller will convey said Assets to Buyer in "as is" condition on the Closing Date and, except as expressly set forth in this Agreement, makes no warranty whatsoever with regard to the condition of said Assets.

(e) Seller will deliver the Assets at Closing free and clear of all liabilities, debts, liens, claims, charges, assessments or other encumbrances of any kind.

(f) Seller has full power and authority to enter into and perform this Agreement and this Agreement constitutes a valid and binding Agreement of Seller enforceable in accordance with its terms.

(g) Seller is responsible for all liabilities and other obligations to all current employees of Seller employed at the Station and any employees hired by Seller up to the Closing Date. It is understood and agreed by the Parties that Buyer may hire new employees to operate the Station for dates after the Closing Date, assumes no liabilities or obligations whatsoever for the Station's current employees, and is under no obligation to hire any such employees.

- (h) As of the Closing Date, Seller will have paid all taxes and assessments, rent, water, sewer, and other utility charges or assessments relating to the Assets, if any.
- (i) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller.
- (j) The warranties, representations, and covenants contained in this Section 3 shall survive Closing for a period of one (1) year.

4. **BUYER'S COVENANTS AND WARRANTIES.** Buyer hereby covenants and warrants as follows:

- (a) Buyer has full power and authority to enter into and perform this Agreement, and this Agreement constitutes a valid and binding Agreement of Buyer enforceable in accordance with its terms.
- (b) Buyer knows of no reason why it should not be approved to become a holder of the FCC Licenses.
- (c) Prior to Closing, Buyer will have inspected the Assets to be conveyed pursuant to the terms of this Agreement and found each item to be in satisfactory condition and suitable for Buyer's purposes.
- (d) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer.
- (f) The warranties, covenants, and representations contained in this Section 4 shall survive the Closing Date for a period of one (1) year.

5. **FCC APPLICATIONS.**

- (a) Seller and Buyer shall file an application with the FCC for consent to the assignment of the FCC Licenses to Buyer within five (5) business days after executing this Agreement and to cooperate fully and diligently in seeking FCC's consent to assignment of the FCC Licenses from Seller to Buyer, subject to the limitations set forth in Section 3(d) above.
- (b) After submitting the assignment application, but prior to Closing, Buyer may, at its sole option, file a construction permit application either pursuant to Section 73.3517(a) of the FCC's rules or in Seller's name (the "Construction Permit Application"). After receiving two (2) business days written notice from Buyer, Seller shall provide Buyer with a customary consent statement that provides Buyer with consent to file the Construction Permit Application.

6. **CLOSING.** The closing of the sale of the Assets to Buyer (the "Closing") shall take place at a place and time designated by Seller (the "Closing Date"), but in no event shall the Closing Date be prior to the grant of FCC consent to the assignment of the FCC Licenses to

Buyer, or later than five (5) business days after such grant has become a Final Order. The term “Final Order” means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC’s action is pending or in effect, and the deadline for filing any such appeal or request has passed. Seller and Buyer may mutually agree to waive the requirement that the FCC’s grant of the assignment application has become a Final Order before Closing. Buyer’s obligation to close is contingent on grant of the Construction Permit Application.

7. **CLOSING DOCUMENTS.**

(a) Seller will, at Closing, execute and deliver to Buyer customary assignments, instruments, and other documents sufficient to grant to Buyer title to the Assets, free and clear of liabilities, debts, claims, assessments, liens and other encumbrances of any kind.

(b) Buyer will, at Closing, deliver or cause to be delivered to Seller the Purchase Price, less the Escrow Deposit, in immediately available funds by wire transfer to an account specified by Seller. Buyer also will, at Closing, execute and deliver to Seller such documents and instruments of assumption as may reasonably be requested by Seller for Buyer.

8. **TERMINATION.** This Agreement may be terminated at any time prior to the Closing as follows:

(a) by mutual written consent of Seller and Buyer;

(b) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period (as defined below);

(c) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period; or

(d) by written notice of Seller to Buyer, or Buyer to Seller, if the Closing shall not have been consummated on or before the date which is October 15, 2018.

The term “Cure Period” as used herein means a period commencing on the date that a Party receives from the other Party written notice of breach or default hereunder and continuing for ten (10) days thereafter.

9. **DAMAGES UPON TERMINATION.** Termination of this Agreement shall not

relieve any Party of any liability for breach or default under this Agreement prior to the date of termination. Upon termination under Sections 8(c) or 8(d), due to a default of Seller, this Agreement shall be deemed null and void and the Escrow Deposit shall be returned to Buyer and neither Party will have any further liability or obligation to the other. Upon termination under Sections 8(b) or 8(d), due to a default of the Buyer, this Agreement shall be deemed null and void and Seller shall be entitled to retain the Escrow Deposit. If this Agreement is terminated for any other reason, the Escrow Deposit shall be returned to Buyer.

10. **ARBITRATION.** In the event of any dispute, controversy or claim under the provisions of this Agreement other than one in which the sole relief sought is an equitable remedy such as an injunction, the Parties shall be required to have the dispute, controversy or claim settled by arbitration in Utah in accordance with the Commercial Arbitration Rules then in effect of the American Arbitration Association, before a panel of three arbitrators, two of whom shall be selected by Seller and Buyer, respectively, and the third of whom shall be selected by the other two arbitrators. Any award entered by the arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by either Party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable. The fees of the American Arbitration Association and the arbitrators and any expenses relating to the conduct of the arbitration (including reasonable attorneys' fees and expenses) shall be paid as determined by the arbitrators.

11. **STATION CONTROL/INSPECTION.** Prior to Closing, Seller shall have complete control over the Assets and operation of the Station. Buyer shall have the right to reasonable access to the Station prior to Closing. Upon Closing and the transfer and assignment of the Assets, as contemplated herein, the Buyer shall have complete control over the Assets and operation of Station.

12. **INDEMNIFICATION.**

(a) Seller hereby agrees to indemnify, defend, save, and hold Buyer harmless with respect to any and all claims, losses, obligations, liabilities, costs and expenses, including reasonable counsel fees, threatened, suffered, incurred, or sustained by Buyer by reason of any misrepresentations by Seller or any breach by Seller of this Agreement or of any of Seller's warranties, covenants, or representations contained in this Agreement, or arising from or by reason of Seller's ownership of the Assets or operation of the Station prior to the Closing Date hereunder, or arising out of any breach by Seller of any Real Property Lease or of any other agreements which might be assigned to Buyer hereunder because of events occurring prior to the Closing Date.

(b) Buyer hereby agrees to indemnify, defend, save, and hold Seller harmless with respect to any and all claims, losses, obligations, liabilities, costs, and expenses, including reasonable counsel fees, threatened, suffered, incurred, or sustained by Seller by reason of any misrepresentations by Buyer or any breach by Buyer of this Agreement or of any of Buyer's warranties, covenants, or representations contained in this Agreement or arising from or by reason of Buyer's ownership of the Assets or operation of the Station subsequent to the Closing Date hereunder or arising out of any breach by Buyer of any Real Property Lease assigned to the Buyer hereunder because of events occurring after the Closing Date hereunder.

13. **NOTICES.** All notices required or permitted to be given under the provisions of this Agreement shall be in writing, delivered by personal delivery, or sent by commercial delivery service or certified mail, return-receipt requested. Properly made notices shall be deemed to have been given on the date of personal delivery, or the date set forth in the records of the delivery service or on the return-receipt. Notices shall be addressed as follows:

If to Seller: Audion Communications LLC
27240 Turnberry Lane, Suite 200
Valencia, California 91355
Attention: Bradley Wohlenberg

If to Buyer: Redrock Broadcasting, Inc.
216 West Saint George Boulevard, Suite 101
St. George, UT 84770
Attention: G. Craig Hanson

With a copy (which shall not constitute notice) to:
Scott Woodworth, Esq.
Edinger Associates, PLLC
1875 I Street, NW, Suite 500
Washington DC 20006

14. **ASSIGNMENT.** Neither Party shall assign any right under this Agreement nor delegate any duty under this Agreement unless the other Party has consented to any such assignment or delegation in writing. This document shall be binding on the heirs, successors, and assigns of the Parties hereto.

15. **SEVERABILITY AND INDEPENDENT COVENANTS.** If any covenant or other provision of this Agreement is invalid, illegal, or incapable of being enforced by reason of any law, administrative order, judicial decision, or public policy, all other conditions and provisions shall remain in full force and effect. No covenant shall be deemed dependent upon any other covenant or provision unless so expressed in this Agreement.

16. **GOVERNING LAW.** This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Utah, without regards, however, to the choice of law provisions thereof which may direct the application of the laws of another jurisdiction.

17. **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 Seller and Buyer with respect to the subject matter of this Agreement. This Agreement supersedes all prior negotiations among the Parties and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and that is signed by the Party against which enforcement of any such amendment, supplement, or modification is sought.

18. **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 Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver of 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 Party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance set forth in this Section.

19. **FURTHER ASSURANCES.** From time to time before, on and after the Closing Date, each Party hereto will execute all such instruments and take all such actions as the other Party, shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered at the Closing, and any and all actions which may reasonably be necessary or desirable to complete the transactions contemplated hereby. The Parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

20. **POSSIBLE BARGAIN SALE.** The parties recognize that the Purchase Price may be less than the fair market value of the assets being conveyed hereunder. At Seller's option and sole expense, Seller may obtain a good faith fair market value appraisal of the Station. Buyer shall reasonably cooperate with Seller and complete any IRS documentation necessary for Seller to claim that this transaction is a bargain sale for tax purposes.

21. **COUNTERPARTS.** This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument. Executed copies of this Agreement transmitted by facsimile or other electronic means shall be valid and binding.

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SIGNATURES APPEAR ON FOLLOWING PAGE]**

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

SELLER:

AUDION COMMUNICATIONS LLC

By: Dale F. Ostler, by  as Agent
Name: Bradley Wohlenberg
Title: Agent for Managing Member

BUYER:

REDROCK BROADCASTING, INC.

By: _____
Name: G. Craig Hanson
Title: President / CEO

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

SELLER:

AUDION COMMUNICATIONS LLC

By: _____
Name: Bradley Wohlenberg
Title: Agent for Managing Member

BUYER:

REDROCK BROADCASTING, INC.

By: G. Craig Hanson
Name: G. Craig Hanson
Title: President / CEO

Table of Schedules and Exhibits

SCHEDULES

1.1(a) FCC Construction Permit – KSGX, Toquerville, Utah

EXHIBITS

1. Escrow Agreement

Schedule 1.1(a)

List of Licenses, Permits and Authorizations

FCC Construction Permit – KSGX FM, Toquerville, Utah

Facility ID: 198815

Permit File number: BNPH – 20151009AIW

Schedule 1.1(b)

Real Property Lease: NONE

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Schedule 1.1(c)

Inventory of Equipment

NONE

Exhibit 1

ESCROW AGREEMENT