

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (“Agreement”), is made and entered into this 5th day of September, 2007, by and between Radio Layne, LLC (“Seller”) and Tanana Valley Television Company (“Buyer”):

WITNESSETH

WHEREAS, Seller is the holder of a construction permit issued by the Federal Communications Commission (“FCC”) (FCC File No. BMPH-20050711ABE, Facility ID No. 164233) (hereinafter referred to as the “Permit”) authorizing the construction of a new radio station on Channel 228, to operate at Delta Junction, Alaska, and referred to as Station KDJF(FM) (the “Station”), and certain related assets to be used in the operation thereof; and

WHEREAS, Seller has filed an application for the minor modification of the Permit to change the community of license of the Station from Delta Junction, Alaska, to Ester, Alaska (BMPH-20070530 AGM __) (the “Modification Application”); and

WHEREAS, Seller desires to assign the Permit and the related assets for a payment equal to the price specified below and Buyer desires to acquire all of Seller’s rights and interests in and to the Permit and related assets, subject to the prior approval of the FCC and the specific conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties hereby agree as follows:

1. Purchase and Sale. Subject to the prior consent of the FCC and to the terms and conditions of this Agreement, Seller agrees to sell, transfer, assign and deliver to Buyer, and Buyer agrees to purchase and receive as assignee, all of Seller’s right, title and interest in and to the Permit, including all FCC authorizations and call signs necessary to operate the Station, listed in Exhibit 1

hereto, and the assets identified in Exhibit 2 hereto (the "Tangible Assets"). The Tangible Assets shall be delivered free and clear of all claims, liens, unsatisfied judgments, and encumbrances of whatever kind, except any expressly identified in Exhibit 2.

2. Purchase Price. In consideration for the sale, assignment and conveyance to it of the Permit and Tangible Assets, Buyer agrees to pay to Seller the sum of One Hundred Seventy Three Thousand Dollars (\$173,000.00). Payment shall be made as follows:

a. Buyer has already placed Seven Thousand Five Hundred Dollars (\$7,500.00) into an Escrow Account with Montcalm, LLC, upon the execution of a Letter of Intent on March 8, 2007 (the "Initial Deposit")

b. Upon execution of this Agreement and the Escrow Agreement attached hereto as Exhibit 3, Buyer shall place an additional deposit of Seven Thousand Five Hundred Dollars (\$7,500.00) in cash into escrow with Montcalm, LLC, (the "Second Deposit", and, with the Initial Deposit, the "Escrowed Funds").

c. The balance of One Hundred Fifty Eight Thousand Dollars (\$158,000.00) shall be paid to Seller in cash at closing pursuant to paragraph 10 below. Also at closing, assuming the terms of the Escrow Agreement are met, Buyer shall cause the Escrowed Funds to be released to Seller and credited against the Purchase Price. All interest gained from the Escrowed Funds shall be returned to Buyer.

3. Allocation of Purchase Price. The Purchase Price shall be allocated among the assets as specified in the schedule attached hereto as Exhibit 4.

4. FCC Application. The parties agree to proceed as expeditiously as possible, and in any event, no later than fifteen (15) days after the execution hereof, to prepare and file an assignment application (the "Application") requesting FCC consent to the transaction herein contemplated. The parties further agree to prosecute the application in good faith and with due diligence, and to respond promptly to any reasonable FCC request for further information or amendment promptly and fully.

Each party shall be responsible for its own expenses incurred in the preparation and filing of the application and the parties will split the FCC filing fee. Should any objections to the application be filed, the parties will cooperate in responding thereto and will split equally the cost of the response.

5. No Assumption of Liabilities. For the purposes of this Agreement, it is expressly understood and agreed that Buyer assumes no liabilities of the Seller of any kind.

6. Seller's Warranties, Representations, and Covenants. Seller warrants, represents and covenants to Buyer as follows:

a. Now and at the closing date, Seller is and will be the holder of the Permit, which is now and will be after closing in full force and effect and unimpaired by any acts or omissions of Seller, its employees or agents. The Permit constitutes the sole authorization necessary for the construction and operation of the Station at the site and with the facilities specified in the Permit, as modified, with the exception of any necessary Federal Aviation Administration and local authorizations, all of which are or will be in effect at the closing date, and after the closing date will permit construction and operation of the Station without further action by the Buyer.

b. Now and at the closing date, Seller is and will be a duly organized, validly existing limited liability company in good standing and with the power and authority to execute, deliver and perform its obligations arising under this Agreement. As of the closing date, Seller will be authorized to do business in the State of Alaska.

c. By the closing date, appropriate company action approving the Agreement and adopting Seller's obligations hereunder shall have been taken. The performance of this Agreement shall have been duly authorized and approved by all of Seller's members and directors. Compliance with the terms of this Agreement will not conflict with or result in a breach of any of the terms, conditions or provisions of Seller's operating agreement or other company documents, or any license, judgment, order, injunction, decree, law, regulation, rule or ruling of any arbitrator, court or other governmental

authority to which Seller is subject, or result in a breach of any other agreement, lease, contract or other commitment to which Seller or its principals, or any of its property is subject. The Agreement constitutes the valid and binding obligation of Seller and is enforceable in accordance with its terms.

d. There is not now any litigation, whether judicial, administrative or otherwise, suit (at law or equity), arbitration, proceeding, governmental proceeding pending, or to the knowledge of the Seller threatened, against Seller or its principals or the Station which relates to the Station or which might affect the ability of Buyer to construct or operate the Station. Should any such litigation commence or be threatened against Seller or its principals after the date of this Agreement, Seller will promptly and in no event later than fifteen (15) days after becoming aware of it or ten (10) days before a response is due in the litigation, notify Buyer.

e. No statement made by Seller herein or in documents referenced herein contains any untrue statement of a material fact or omits a material fact necessary to make the statement not misleading.

f. Seller represents that, with the sole exception of Montcalm, LLC, it has made no agreement with any broker or finder in connection with the transaction contemplated hereunder, and no other person is entitled to any commission or finder's fee by reason of any agreement with Seller in connection with this Agreement. Seller shall be solely responsible for payment of the commission due to Montcalm, LLC.

g. As of the closing date, Seller will have paid and discharged all taxes, assessments, excises and levies, for which it is obligated and which are then due and payable and which, if not paid, would interfere with Buyer's enjoyment of the assets conveyed hereunder.

7. {OMITTED INTENTIONALLY}

8. Buyer's Warranties, Representations and Covenants.

Buyer represents, warrants and agrees now and as of the closing date as follows:

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a. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of Alaska.

b. Buyer is legally and otherwise qualified to acquire the Permit and to become the permittee of the Station. Except for the consent of the FCC, no other consent of any kind not yet obtained is required for Buyer to make or carry out the terms of this Agreement.

c. Buyer will not take any action or refrain from taking any action between the date of this Agreement and the closing which would render Buyer unqualified to become the permittee of the Station.

9. Closing. Closing of the transaction contemplated hereunder is conditioned upon (i) the FCC having given its prior written consent to the assignment of the Permit and, unless otherwise agreed by the parties, upon such consent having become “final”, and (ii) the grant of the Modification Application, and unless otherwise agreed by the parties, upon such granted becoming “final”. For the purpose of this Agreement, an action shall be deemed final when the application or any decision granting it is no longer subject to timely FCC or judicial review or reconsideration. Closing shall be held not later than ten (10) business days after the FCC’s consent has become final at such time and place as the parties may mutually agree.

10. Conditions to Buyer's Performance. The obligations of Buyer hereunder are subject to the following conditions :

a. The representations and warranties of Seller contained in this Agreement shall be true and correct at the closing date as though made at and as of such time, and all of the obligations of Seller to be performed, including but not limited to the satisfaction of all liens and encumbrances, on or prior to the closing pursuant to the terms of this Agreement shall have been duly performed, and Seller shall have delivered to Buyer a certificate signed by an officer of Seller to that effect dated as of the closing date along with copies of resolutions adopted by Seller's members authorizing the transactions

contemplated in this Agreement.

b. No litigation, action, suit, judgment, investigation, proceeding or decision of any kind shall have been instituted, threatened, or released before any forum, court or governmental body, department or agency of any kind concerning the Seller or the Station which might result in any material adverse change in the construction and operation of the Station.

c. The FCC shall have issued an order which shall have become final giving its consent to the assignment of the permit without any conditions materially adverse to Seller or Buyer. The Permit and any related authorizations shall be valid and in force and permit construction and operation of the Station as specified in the Permit after closing.

d. The FCC shall have issued an order which shall have become final approving the Modification Application to change the community of license to Ester, Alaska, or another community mutually agreed to by the parties. Buyer shall have the sole right to waive this requirement, and proceed to Closing, at its sole discretion, assuming that all other conditions to closing have been met. In the event that Buyer elects to close without final grant of the Modification Application, Buyer shall notify Seller of its intention, and, assuming all other conditions to closing have been satisfied, closing shall occur within 10 business days. Seller shall not have the right to elect not to proceed to closing based on the absence of a final order granting the Modification Application.

11. Conditions to Seller's Performance. The obligations of Seller hereunder are subject to the following conditions:

a. The representations and warranties of Buyer contained in this Agreement shall be true and correct at the closing date as though made at and as of such time, and all of the obligations of Buyer to be performed, on or prior to the closing pursuant to the terms of this Agreement shall have

been duly performed, and Buyer shall have delivered to Seller a certificate, dated as of the closing date, signed by the Secretary of Buyer to that effect along with copies of resolution adopted by Buyer's shareholders and board of directors authorizing the transactions contemplated by the Agreement.

b. The FCC shall have issued an order which shall have become final giving its consent to the assignment of the Permit to Buyer without any conditions materially adverse to Seller or Buyer. The Permit and any related authorizations shall be valid and in force and permit construction and operation of the Station as specified in the permit after closing.

c. All payments which are due and payable hereunder by Buyer shall have been made in accordance with the terms of this Agreement.

12. Seller's Performance at Closing. At the closing, Seller will execute and deliver or cause to be delivered to Buyer:

a. an assignment of the Permit and any related authorizations specified in Exhibit 1, together with such instruments of conveyance as Buyer may reasonably require to effectuate the assignment of the permit to Buyer;

b. a certificate of Seller to the effect that Seller's performance under this Agreement has been duly authorized and all actions taken by Seller at closing have been duly authorized as valid company actions, and that neither the execution of this Agreement nor the consummation thereof has violated or will violate any contract or commitment to which Seller is subject, and that Seller is not in default with respect to its performance of any provision in this Agreement, and that all of the documents delivered at closing are valid and binding upon Seller in accordance with their terms;

c. a resolution of Seller's members, certified by a manager of Seller, authorizing the execution, delivery and performance of this Agreement;

d. A Bill of Sale relating to the transfer of ownership of the Tangible Assets; and

e. such other documents as Buyer shall reasonably request in order to place Buyer in actual

possession and control of the assets to be conveyed.

13. Buyer's Performance at Closing. At the closing, Buyer will deliver or cause to be delivered to Seller:

- a. the monetary consideration set forth in Section 2, including the Escrowed Funds, by cashier's check, wire transfer, or other immediately available funds plus or minus any adjustments for taxes or similar adjustments.
- b. a resolution of Buyer's Board of Directors and stockholders, certified by the Secretary of Buyer, authorizing the execution, delivery and performance of this Agreement.
- c. a certificate of Buyer to the effect that Buyer's performance under this Agreement has been duly authorized and all actions taken by Buyer at closing have been duly authorized as valid corporate actions, and that neither the execution of this Agreement nor the consummation thereof has violated or will violate any contract or commitment to which Buyer is subject, and that Buyer is not in default with respect to its performance of any provision in this Agreement, and that all of the documents delivered at closing are valid and binding upon Buyer in accordance with their terms.
- d. such other documents as Seller shall reasonably request in order to consummate the transactions contemplated by this Agreement.

14. Survival of Warranties. All representations, warranties, and covenants made by the parties to this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement. They shall expire, except as provided to the contrary herein, one (1) year after the closing date. During that period, they shall remain in full force and effect regardless of any investigation made by either party and shall not be deemed merged into any document or instrument executed or delivered at closing.

15. Indemnification.

- a. It is understood and agreed that Buyer does not assume and shall not be obligated to pay,

any liabilities of the Seller, except as provided for in this Agreement, and Buyer shall not be obligated to perform any obligations of the Seller, of any kind or manner, except as provided herein. Seller agrees that it shall indemnify and hold Buyer harmless from and against any and all damages, claims, losses, expenses, costs, obligations, deficiencies, expenses and liabilities of every kind and description, contingent or otherwise, including, but not limited to liabilities for reasonable attorney's fees ("Loss and Expense"), suffered, directly or indirectly, by Buyer after the Closing Date by reason of, or arising out of, (i) any material breach of any representation or warranty made by Seller to perform or fulfill any of its covenants or agreements set forth in this Agreement, (ii) any material failure by Seller to perform or fulfill any of its covenants or agreements set forth in this Agreement, (iii) any material failure by Seller to pay or discharge any liabilities which remain the responsibility of Seller under this Agreement, (iv) any litigation, proceeding, or claim by any third party relating to the permit or to construction or activities related to the Permit prior to the Closing.

b. Buyer agrees that it shall indemnify and hold Seller harmless from and against any and all Loss and Expense suffered, directly or indirectly, by Seller after the Closing by reason of, or arising out of, (i) any material breach of any representation or warranty made by Buyer pursuant to this Agreement, (ii) any material failure by Buyer to perform or fulfill any of its covenants or agreements set forth in this Agreement, (iii) any material failure by Buyer to pay or discharge any liabilities assumed pursuant to this Agreement, or (iv) any litigation, proceeding, or claim by any third party relating to the Permits or the business or operation of the Station or to the construction or activities related to the Permit after the Closing.

c. If either Seller or Buyer believes that any Loss and Expense has been suffered or incurred, such party shall notify the other promptly in writing and in any event within the applicable time period specified in Section 14, describing such Loss and Expense, the amount thereof, if known, and the method of computation of such Loss and Expense, all with reasonable particularity and

containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any action at law or suit in equity is instituted by a third party with respect to which any of the parties intends to claim any liability or expense as Loss and Expense under this Section, such party shall promptly notify the indemnifying party of such action or suit.

d. The indemnifying party shall have the right to conduct and control, through counsel of that party's own choosing, any third party claim, action, or suit, but the indemnified party may, at that latter party's election, participate in the defense of any such claim, action, or suit at that party's sole cost and expense: provided, that if the indemnifying party's shall fail to defend any such claim, action, or suit, then the indemnified party may defend, through counsel of that party's own choosing, such claim, action, or suit and settle such claim, action, or suit, and to recover from the indemnifying party the amount of such settlement or of any judgment and the costs and expenses of such defense: provided further, that the indemnifying party shall be given at least 15 days' prior notice of the terms of any proposed settlement thereof so that the indemnifying party may then undertake and/or resume the defense against the claim. The indemnifying party shall not compromise or settle any third party claim, action, or suit without the prior written consent of the indemnified party, which consent will not be unreasonably withheld or delayed.

16. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns. Neither party may assign its rights hereunder without the prior written consent of the other party, except that Buyer may assign its rights to an entity owned by or under common ownership with Buyer.

17. Default.

a. In the event of a material breach of its obligations and/or representations under the Agreement by Seller, not cured within ten (10) days after written notice to that effect from Buyer, Buyer shall have the option to either:

(i) terminate the Agreement, receive refund of the Escrowed Funds, and sue for all of its damages; or

(ii) bring an action specifically to enforce the terms of this Agreement by decree, it being agreed by the parties that the assets to be assigned hereunder are unique and not readily available in the open market, and Seller hereby further agrees to waive any and all defenses against any such action for specific performance based on the ground that there is an adequate remedy for money damages available.

b. In the event of a material breach by Buyer of any of its representations and obligations hereunder, not cured within ten (10) days of written notice from Seller, Seller shall have the right to terminate this Agreement and recover as liquidated damages the Escrowed Funds plus accumulated interest thereon, it being agreed that in light of the nature of the assets being assigned hereunder, damages are impossible to calculate with any precision. Recovery of such liquidated damages shall be the sole and exclusive remedy of Seller for any breach by Buyer of its representations or obligations under this Agreement.

c. Notwithstanding anything in this Agreement to the contrary, (i) no default shall be declared against Seller under Subsection (a) of this Section if Seller is making a good faith effort to cure any alleged breach and can cure the alleged breach within thirty (30) days after FCC approval becomes final, provided that Buyer shall not be required to close until the default is cured; and (ii) no cure or notice shall be applicable for Buyer's inability or unwillingness to tender the Escrowed Funds when due on the Purchase Price at Closing.

18. Termination. In addition to the other grounds for termination specified in this Agreement, either party, at its respective option, may terminate this Agreement upon twenty (20) days' prior written notice to the other party, provided that the terminating party is not in material default or breach at the time of said termination (with the exception of nonpayment by Buyer under paragraph

17(c) as to which no notice shall be required), upon the occurrence of any of the following events:

- a. the permit is modified, conditioned, assigned, extended or not extended in a manner or for a term substantially adversely changed from the terms thereof on the date of this Agreement; or
 - b. the assignment application is at any time designated for evidentiary hearing by the FCC;
- or
- c. consent to the assignment of the permit is denied by the FCC or a hearing is designated thereon, and the order of denial or designation becomes final, as defined herein; or
 - d. The assignment transaction contemplated hereunder is not consummated within sixty (60) days after the grant of the Modification Application becomes final. In the event that the Agreement is terminated pursuant to any of the provisions of this paragraph, the Escrowed Funds plus accumulated interest thereon shall be returned to Buyer.

19. No Negotiations or Agreements With Other Parties. Seller shall not enter into any negotiation with any party or give any option or enter into any agreement with any party other than Buyer to sell, assign, transfer, give or dispose of any of the assets to be conveyed hereunder nor negotiate for or enter into any local marketing or time brokerage or joint sales agreement with any party other than Buyer.

20. Joint Covenants. Buyer, and Seller jointly represent and covenant to each other as follows:

- a. If any event should occur, either within or without the control of any party hereto, which would prevent fulfillment of the conditions upon the obligations of any party hereto to consummate the transactions contemplated by this Agreement, the parties hereto will use their reasonable best efforts to cure the event as expeditiously as possible.
- b. The parties shall each keep confidential all information obtained by it with respect to the

other in connection with this Agreement (except information independently learned or acquired by the party or otherwise made public by other sources). If the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining a copy thereof, any confidential schedules, documents or other written information obtained from the other in connection with this Agreement and the transactions contemplated hereby.

c. The parties shall cooperate fully with each other in taking any actions, including actions to obtain the required consent of any governmental instrumentality or any third party, necessary or helpful to accomplish the transactions contemplated by this Agreement. If the consent of any governmental instrumentality contains any condition, the party upon which such condition is imposed shall use its best, diligent and good faith efforts to comply therewith before the closing.

d. The parties shall each act and refrain from acting, as the case may be, so that each of their respective representations and warranties set forth herein shall be true on and as of the closing, and each shall use its best efforts to ensure that the transactions contemplated hereby shall be consummated.

e. The parties shall cooperate and take such actions, and execute such other documents, at closing or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

21. Miscellaneous.

a. All Exhibits attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein.

b. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Alaska without regard to conflict of laws provisions.

c. The headings of the paragraphs of this Agreement are for convenience of reference only and do not form a part hereof or in any way modify, interpret, or construe the intent of the parties.

d. This Agreement, together with the Exhibits hereto, contain all of the terms agreed to between the parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, whether oral or written, with respect to the conveyance of assets hereunder. The Agreement may not be amended or modified in any manner except by written document executed by the party against whom enforcement of such amendment or modification is sought.

e. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

f. If any lawsuit is instituted to enforce any party's rights under this agreement, the prevailing party shall be reimbursed by the other party for all reasonable expenses incurred thereby, including reasonable attorney fees.

g. All notices or 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, return receipt requested, addressed as follows (or at such other address for a party as shall be specified by like notice):

(i) If to the Seller to:

Amy Meredith
Scott Powell
Radio Layne, LLC
110 Green Meadows
Abilene, Texas 79605

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

Lee J. Peltzman, Esq.
Shainis & Peltzman, Chartered
1850 M Street, N.W., Suite 240
Washington, D.C. 20036

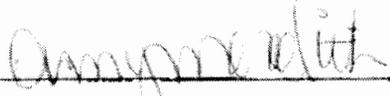
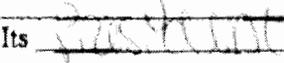
(ii) If to the Buyer:

William St. Pierre, President
Tanana Valley Television Company
3650 Braddock Street
Fairbanks, Alaska 99701

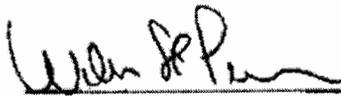
{SIGNATURE PAGE TO FOLLOW}

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

Seller: RADIO LAYNE, LLC

By: 
Its 

Buyer: TANANA VALLEY TELEVISION COMPANY

By: 
William St. Pierre
Its President

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