

ASSET PURCHASE AGREEMENT

by and between

SOUTHWEST FM BROADCASTING CO., INC.

as Seller

and

PHOENIX RADIO BROADCASTING, LLC

as Buyer

September 26, 2017

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("**Agreement**") is made as of the 26th day of September, 2017, by and between SOUTHWEST FM BROADCASTING CO., INC., an Arizona corporation ("**Seller**"), and PHOENIX RADIO BROADCASTING, LLC, an Arizona limited liability company ("**Buyer**"). Reference herein to a "Party" shall refer, on the one hand, to Buyer, and on the other hand, to Seller and reference to the "Parties" shall refer to Buyer and Seller, collectively. Capitalized terms shall have the meanings ascribed to them in Article 13 of this Agreement.

RECITALS

WHEREAS, Seller is the licensee and operator of radio station KAHM(FM), Spring Valley, Arizona (Facility ID No. 61510), and FM translator K269EE, Prescott, Arizona (Facility ID No. 61511) (collectively, the "**Stations**"), pursuant to authorizations issued by the Federal Communications Commission (the "**FCC**") for the operation of the Stations; and

WHEREAS, concurrently with this Agreement, Buyer is entering an agreement with Southwest Broadcasting Company, which is a commonly-owned affiliate of Seller, for the purchase and sale of KYCA(AM), Prescott, Arizona (Facility ID No. 61433), and FM translator K278CN (f/k/a K246BI), Winslow, Arizona (Facility ID No. 150097).

WHEREAS, subject to the terms and conditions of this Agreement, (i) Seller desires to sell and Buyer desires to purchase certain of the assets and property used in the operation of the Stations, and (ii) Seller desires to assign and Buyer desires to assume the FCC Licenses of the Stations.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Seller and Buyer hereby agree as follows:

ARTICLE 1 ASSETS TO BE CONVEYED

1.1 Transfer of Assets of the Stations. Subject to the terms and conditions set forth in this Agreement, Seller shall sell, assign, transfer, convey and deliver to Buyer on the Closing Date those items listed in subsections (a) through (g) below, together with any replacements thereof and additions thereto between the date of this Agreement and the Closing Date, free and clear of all Liens, except as otherwise provided in this Agreement, but excluding the assets described in Section 1.2 (collectively, the "**Assets**"):

(a) All licenses, permits and other authorizations issued to Seller by the FCC listed on Schedule 1.1(a) attached hereto, together with renewals or modifications thereof and

additions thereto between the date hereof and the Closing Date (the "**FCC Licenses**");

(b) (i) all real property interests owned by Seller and used in the business and operation of the Stations, including those listed on Schedule 1.1(b) (the "**Owned Real Property**") and any interest of Seller therein, including without limitation, land, easements, air rights, rights of way and fee ownership, buildings, structures, fixtures, fittings and improvements, including any towers, guy wires and anchors, if any and (ii) all of the real property interest leased, subleased, licensed, or otherwise occupied by and used in the business and operation of the Stations (the "**Real Property Leases**") (including any appurtenant easements, building, structures, fixtures, and other improvements located thereon), as described in Schedule 1.1(b) (together with the Owned Real Property, the "**Real Property**");

(c) The towers, transmitters, antennas, equipment, spare parts, fixtures and supplies located at the Real Property and identified on Schedule 1.1(c), together with such modifications, replacements, improvements and additional items made or acquired collectively between the date hereof and the Closing Date in accordance with the terms and provisions of this Agreement (the "**Personal Property**");

(d) All contracts of Seller listed on Schedule 1.1(d) hereto (the "**Assumed Contracts**");

(e) The Stations' public inspection file, filings with the FCC relating to the Stations, and such technical information, engineering data, operating manuals, rights under manufacturer's warranties, and other materials as they exist at the Closing and only insofar as they relate to the Assets being conveyed hereunder;

(f) All Intellectual Property, including the call letters, owned or licensed and used or held for use by Seller in the operation of the Stations, including those identified on Schedule 1.1(f) (the "**Intangible Property**"); and

(g) All other assets, tangible and intangible, held by Seller and used in the business and operation of the Stations, except for the Excluded Assets.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Assets shall not include the following (collectively, the "**Excluded Assets**");

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

(b) Any insurance policies and all proceeds of, or claims made by Seller, prior to the Closing Date, and any promissory notes, amounts due from employees, commissions on Accounts Receivables for time aired prior to Closing the receipts for which are received after Closing, bonds, letters of credit, or other similar items, and any cash surrender value in regard thereto of Seller;

(c) Any pension, profit-sharing or cash or deferred (Section 401(k)) plans and

trusts and assets thereof, or any other employee benefit plan or arrangement of Seller, and the assets thereof;

(d) Duplicate copies of such records as may be necessary to enable Seller to prepare and file tax returns and reports, all original financial statements and supporting materials, all books and records that Seller is required by law to retain, and all records of Seller relating to the purchase and sale of the Assets;

(e) Any interest in and to any refunds of federal, state or local franchise, income or other taxes of Seller for periods prior to the Closing;

(f) All tangible and intangible personal property of Seller related to the Stations and disposed of or consumed between the date of this Agreement and the Closing in the ordinary course of business;

(g) The financial records, account books of original entry and general ledgers and all corporate records of Seller, including, but not limited to, tax returns and transfer books; and

(h) All assets listed on Schedule 1.2(h).

1.3 Assumption of Liabilities and Obligations. Buyer shall assume and undertake to pay, discharge and perform all obligations and liabilities of Seller arising or accruing after the Closing (i) under the Real Property and the Assumed Contracts, (ii) under the FCC Licenses, and (iii) relating to the Assets. Buyer shall not assume (i) any obligation or liabilities under the Real Property or the Assumed Contracts relating to the period prior to the Closing, (ii) any obligations or liabilities of Seller which are unrelated to the Stations, (iii) any obligations relating to employees of Seller, (iv) any obligations relating to the Excluded Assets, or (v) any federal, state or local franchise, income or other taxes of Seller for periods prior to the Closing.

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price. The purchase price for the Assets shall be One Million Seven Hundred Thousand Dollars (\$1,700,000.00) (the “**Purchase Price**”).

2.2 Payment of Purchase Price.

(a) Escrow Deposit. Concurrently with the execution of this Agreement, Buyer has delivered to Kalil & Co., Inc. (the “**Escrow Agent**”) the sum of Eighty Five Thousand Dollars (\$85,000.00) to be held as an earnest money deposit (the “**Escrow Deposit**”) pursuant to an Escrow Agreement (the “**Escrow Agreement**”) of even date herewith. The Escrow Deposit shall be paid to Seller as partial payment of the Purchase Price due at Closing to Seller, or shall otherwise be made available to Seller or released to Buyer in accordance with provisions of this Agreement.

(b) At the Closing, Buyer shall pay Seller the Purchase Price, less the amount of the Escrow Deposit, subject to the prorations set forth in Section 2.4. Such payments shall be by wire transfer of immediately available funds to one or more accounts at banks or other financial institutions pursuant to wire transfer instructions that Seller shall deliver to Buyer at least two business days prior to the Closing Date.

2.3 Allocation. The Purchase Price shall be allocated based upon the fair market value of the Assets. Seller and Buyer shall be free to obtain an appraisal of the Assets using valuation methods of their choosing. Seller and Buyer agree to provide each other with a copy of any appraisals obtained as soon as reasonably possible. Seller and Buyer agree to use all reasonable efforts to agree to an Allocation prior to the Closing Date. The Allocation shall be in accordance with the Internal Revenue Code. Seller and Buyer agree to use such Allocation in completing and filing Internal Revenue Code Form 8594 (or such Form or Forms as may be substituted for Form 8594 by the Internal Revenue Service) for Federal income tax purposes and to cooperate in preparation of their respective Form 8594 filings.

2.4 Prorations.

(a) Income and Expense Prorations. All income and expenses arising from the conduct of the business and operations of the Stations shall be prorated between Buyer and Seller as of 12:01 a.m. local time on the Closing Date. Such prorations shall include all ad valorem and other property taxes (but excluding taxes arising by reason of the transfer of the Assets as contemplated hereby, which shall be paid as set forth in Section 12.1 of this Agreement), deposits, utility expenses, liabilities and obligations under the Real Property and all Assumed Contracts, rents and similar prepaid and deferred items, and all other expenses attributable to the ownership and operation of the Stations. All real estate taxes and personal property taxes, if any, shall be apportioned on the basis of the number of days that each Party owned or used the Real Property or Personal Property during the relevant tax year. The aggregate net adjustment amount determined in accordance with this Section is referred to herein as the “**Proration Amount.**”

(b) Specific Prorations. Without limiting the generality of the foregoing Section 2.4(a):

- i. Seller shall receive a credit for the unapplied portion, as of the Closing, of any security deposits made by Seller under the Real Property Leases or the Assumed Contracts that Buyer assumes at Closing; and
- ii. Any FCC annual regulatory fees relating to the Stations paid or payable by either Party shall be prorated, treating such payments as though they are paid in arrears.
- iii. The Licensee of the Stations on the date of payment shall complete the electronic submission of the complete payment within the payment period established by the FCC, and shall provide proof of the submission to the other Party.

(c) GAAP. To the extent not inconsistent with the express provisions of this

Agreement, and to the extent reasonably practicable, the allocations made pursuant to this Section shall be made in accordance with GAAP.

(d) Proration Notice. To the extent sufficient information is available regarding prorated items as of the Closing Date, prorations shall be made as of the Closing Date. Within ninety (90) days after the Closing Date, Buyer shall deliver to Seller in writing and in reasonable detail a good faith determination of any required adjustments to the Proration Amount determined as of the Closing Date (the ***“Proration Notice”***). Seller shall provide reasonable assistance to Buyer in making such determination, and Buyer shall provide Seller and its representatives with reasonable access to the properties, books and records relating to the Stations for the purpose of determining the applicable Proration Amount. Seller shall have the right to review the computations and workpapers used in connection with Buyer’s preparation of the Proration Amount. If Seller disagrees with the Proration Amount determined by Buyer, Seller shall so notify Buyer in writing (the ***“Proration Dispute Notice”***) within thirty (30) days after the date of receipt of Buyer’s Proration Notice, specifying in detail any point of disagreement. After the receipt of any Proration Dispute Notice, Buyer and Seller shall negotiate in good faith to resolve any disagreements regarding the applicable Proration Amount. If agreement is reached within thirty (30) days after Buyer’s receipt of the Proration Dispute Notice, then upon reaching such agreement, Seller shall pay to Buyer or Buyer shall pay to Seller, as the case may be, the Proration Amount in the manner provided in Section 2.4(e) below. If agreement is not reached within such thirty (30) day period with respect to a disputed Proration Amount, then the dispute resolution provisions set forth in Section 2.4(g) shall apply.

(e) Payment of Proration Amount. Each payment of the Proration Amount required under the Sections 2.4(d) or 2.4(f) shall be paid by wire transfer in immediately available funds to the account of the payee at a financial institution in the United States within five business days after its final determination.

(f) Additional Prorations. If, following the Closing Date and the initial prorations determined under Section 2.4(d), additional prorations are determined by any of the Parties to be appropriate, the Parties agree to work together in good faith to establish the amount of such further prorations and to pay or refund, as the case may be, the amount mutually agreed to by the Parties.

(g) Proration Dispute Resolution. If Seller and Buyer do not, within the thirty (30) day period specified in Section 2.4(d), reach an agreement on the Proration Amount, and the amount in dispute is equal to or less than Five Thousand Dollars (\$5,000), such amount shall be divided equally between Buyer and Seller. If the amount in dispute is greater than Five Thousand Dollars (\$5,000), then the dispute will be resolved by an accounting firm mutually acceptable to both Parties or, in the absence of agreement, by a “national” accounting firm selected by lot after eliminating the principal outside accountants of Seller and Buyer and their respective Affiliates. The written determination of any accounting firm so selected, and the Proration Amount (with such modifications therein, if any, as reflect such determination), shall be conclusive and binding upon the Parties. The fees and expenses of such accounting firm in acting under this Section shall be borne equally by Seller and Buyer.

(h) Accounts Receivable. All accounts receivable arising prior to the Closing Date in connection with the operation of the Stations, including but not limited to accounts receivable for advertising revenues for programs and announcements performed prior to the Closing Date and other broadcast revenues for services performed prior to the Closing Date shall remain the property of Seller (the “**Accounts Receivable**”) and Buyer shall not acquire any right or interest therein. For a period of one hundred twenty (120) days from the Closing Date (the “**Collection Period**”), Buyer shall collect the Accounts Receivable in the normal and ordinary course of Buyer’s business and shall apply all such amounts collected to the debtor’s oldest account receivable first, unless the account debtor thereon otherwise directs. Buyer’s obligation shall not extend to the institution of litigation, employment of counsel or a collection agency or any other extraordinary means of collection. During the Collection Period, neither Seller nor its agents shall make any direct solicitation of any such account debtor for collection purposes or institute litigation for the collection of amounts due. Any amounts relating to the Accounts Receivable that are paid directly to Seller shall be retained by Seller (and Seller shall inform Buyer thereof). Within ten (10) calendar days after the end of each month during the Collection Period, Buyer shall make a payment to Seller equal to the amount of all collections of Accounts Receivable during the preceding month. Any accounts remaining uncollected after the Collection Period, shall be reassigned to Seller without recourse and Seller shall be solely responsible for the collection of such remaining Accounts Receivable. Seller represents, warrants and covenants that each of the Accounts Receivable was incurred in the ordinary course of business and has been, and will be, accurately invoiced.

ARTICLE 3 CLOSING

3.1 Closing. Subject to the satisfaction or, to the extent permissible by law, waiver (by the Party for whose benefit the closing condition is imposed), on or prior to the date scheduled for the Closing, of the closing conditions set forth in Sections 8.1 and 8.2 hereof, the closing (the “**Closing**”) of the sale and purchase of the Assets shall take place at a mutually agreeable location or by electronic exchange of signatures and/or by overnight courier, and electronic payments on the fifth day following the satisfaction or waiver of the conditions set forth in Sections 8.1 and 8.2 (or on the next business day if the fifth day is not a business day), or at such other place, time or date as Buyer and Seller may mutually agree in writing (the “**Closing Date**”).

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that, subject to the specific terms herein and to the disclosures in the schedules referenced in this Article 4, the following representations and warranties are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date:

4.1 Organization and Standing. Seller is a corporation duly formed, validly existing and in good standing under the laws of the State of Arizona, (b) is qualified to do

business in all jurisdictions where failure to do so would have a Material Adverse Effect on the business of the Stations, and (c) has all necessary power and authority to own, operate and lease the Assets and carry on the business of the Stations.

4.2 Authorization and Binding Obligation. Seller has all necessary corporate power and authority to enter into and perform its respective obligations under this Agreement and the documents contemplated hereby and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each of the other documents contemplated hereby at or prior to Closing will be, duly executed and delivered by Seller. This Agreement constitutes (and each of the other documents contemplated hereby, when executed and delivered, will constitute) valid and binding obligations enforceable against Seller in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies.

4.3 Absence of Conflicting Agreements. Except for the FCC Consent and the consent by the lessor(s) to the assignment of the Real Property Leases, the execution, delivery and performance of this Agreement and the documents contemplated hereby by Seller do not and will not: (a) violate any provisions of the organizational documents of Seller; (b) violate any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation or ruling of any court or governmental authority, except where such breach or default would not have a Material Adverse Effect on the ability of the Parties to consummate the transactions contemplated by this Agreement; (c) constitute a material default under, or accelerate or permit the acceleration of any performance required by the terms of any of the Assumed Contracts, assuming any necessary consents are obtained, and (d) create any claim, Lien or encumbrance upon any of the Assets, except where such breach or default would not have a Material Adverse Effect on the ability of the Parties to consummate the transactions contemplated by this Agreement.

4.4 Litigation. To the Knowledge of Seller, there are no claims, litigation, arbitrations or other legal proceedings pending or threatened against Seller with respect to the Assets or operation of the Stations, except where such claims, litigation, arbitrations or other legal proceedings would not have a Material Adverse Effect on the financial condition of the Stations or on the ability of the Parties to consummate the transactions contemplated by this Agreement.

4.5 Stations Licenses.

(a) Schedule 1.1(a) contains a true and complete list of the FCC Licenses necessary for and used in connection with the operation of the Stations as currently operated. Seller is the authorized legal holder of the FCC Licenses listed on Schedule 1.1(a). The FCC Licenses are in good standing and in full force and effect. The Stations and the facilities of the Stations are being operated in material compliance with the FCC Licenses (subject to the conditions set forth on such FCC Licenses) and all material FCC rules and policies.

(b) Except as set forth in Schedule 1.1(a) and except for proceedings affecting the radio broadcasting industry generally, to the Knowledge of Seller, there are no applications, petitions, complaints, investigations, notices of violations, notice of apparent liabilities pending

license terminations, forfeitures, proceedings or other actions pending or threatened from or before the FCC relating to Stations or the FCC Licenses.

4.6 Real Property.

4.6.1 Owned Real Property.

(a) Schedule 1.1(b) lists by legal description all of the Real Property which will be owned by Seller at Closing referred to as Owned Real Property for purposes of this Agreement. With respect to the Owned Real Property: (i) to the best of Seller's knowledge, Seller has good and marketable fee simple title to each parcel, free and clear of all Liens; (ii) there are no pending, or to Sellers' Knowledge, threatened actions relating to the Owned Real Property; (iii) Seller has not leased or otherwise granted to any Person the right to use or occupy any of the Owned Real Property or any portion of the income or profits from the sale, operation or development thereof except as disclosed on Schedule 1.1(b); (iv) Seller has not entered into any contracts, agreements, options or rights to purchase such parcel, or any portion thereof, or any interest therein and, to the best of Seller's knowledge, no third party had entered into any contracts, agreements, options or rights to purchase such parcel, or any portion thereof, or any interest therein; and (v) to the best of Seller's knowledge, there are no Persons or entities (other than Seller) lawfully in possession of such parcel, or any portion thereof.

(b) All improvements owned by Seller on the Owned Real Property have received all material permits required in connection with the current ownership or operation by Seller thereof and are being operated and maintained by Seller in all material respects in accordance with Applicable Law.

(c) There is access for ingress and egress to the Owned Real Property. All facilities located on such Owned Real Property have access to such utilities as are necessary for the operation of such facilities as currently operated, all of which services are adequate in all material respects in accordance with all Applicable Laws.

(d) Seller has have not received any written notice alleging that the Owned Real Property fails to comply with Applicable Laws, including zoning laws, or the building, health and safety, fire and environmental protection codes of any governmental entity and to Sellers' Knowledge, the Owned Real Property complies with all Applicable Laws.

(e) During the period Seller owned the Owned Real Property, Seller has occupied, used and operated the Owned Real Property in material compliance with all applicable Environmental Laws. Except as set forth in Schedule 4.6, to Seller's Knowledge, no conditions, circumstances or activities have existed or currently exist on or in regard to, and Seller has not engaged in any activities with respect to, the Owned Real Property that violate any Environmental Law. There are no (i) current, pending or, to Seller's Knowledge, threatened in writing proceedings or investigations of any kind against Seller concerning the Owned Real Property under any Environmental Law or (ii) claims, actions, suits or administrative, arbitral or other proceedings pending or, to Seller's Knowledge, threatened in writing against or affecting Seller at law or in equity with respect to the Owned Real Property under any Environmental Laws.

4.6.2 Real Property Leases. Schedule 1.1(b) lists all Real Property Leases to which Seller is a party. With respect to the Real Property Leases: (i) they are and shall be at Closing in full force and effect, (ii) all accrued and currently payable rents and other payments required under the Real Property Leases to be paid by Seller or to Seller have been paid as of the date of this Agreement, (iii) to Seller's Knowledge, Seller is in peaceable possession of the real estate covered by the Real Property Leases, and (iv) neither Seller nor, to Seller's Knowledge, any other party thereto, is in default under the Real Property Leases.

4.7 Title to and Condition of Personal Property. Seller has title to all Personal Property, free and clear of all Liens. All of the items of Tangible Personal Property are, and shall be at the Closing, in good operating condition and repair (reasonable wear and tear in ordinary usage excepted).

4.8 Contracts. Schedule 1.1(d) lists all agreements with respect to the Stations to be conveyed hereunder. Each of the Assumed Contracts is in full force and effect and is legally valid, binding and enforceable by Seller in accordance with its terms, except as limited by laws affecting creditor's rights or equitable principles generally. Except as disclosed on Schedule 1.1(d), neither Seller nor, to the Knowledge of Seller, any other party thereto is in any material respect in default under the Assumed Contracts.

4.9 Compliance with Laws. Seller has not received notice from any governmental authority alleging that Seller is in any material respect in violation of any federal, state or local laws, statutes, rules, regulations or orders relating to the ownership and operation of the Stations, except where such violation of federal, state or local laws, statutes, rules, regulations or orders relating to the ownership or operation of the Stations would not have a Material Adverse Effect.

4.10 Governmental Consents. Except for the FCC Consent contemplated by Section 6.1 and the consent by lessors of the Station's Real Property Leases, the execution, delivery and performance by Seller of this Agreement and the other documents contemplated herein, and the consummation by the Seller of the transactions contemplated hereby and thereby, do not and will not require the authorization, consent, approval, exemption, clearance or other action by or notice or declaration to, or filing with, any court, administrative or other governmental body.

4.11 Reports. All reports and statements that Seller is required to file with the FCC with respect to the Stations have been filed, and all reporting requirements of the FCC have been complied with in all material respects.

4.12 Broker's Fees. Except for Kalil & Co., Inc., whose fee will be paid by Seller, neither Seller, nor any person or entity acting on Seller's behalf, has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity, and no person or entity is entitled to any such payment from Seller in connection with the transactions contemplated by this Agreement. Seller shall indemnify and hold harmless Buyer for any payment due to any broker claiming by, through or under Seller as a result of the consummation of the transactions contemplated by this Agreement.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the following representations and warranties are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date:

5.1 Organization and Standing. Buyer is a limited liability company formed, validly existing and in good standing under the laws of the State of Arizona. Buyer is qualified to do business in all jurisdictions where the failure to so qualify would have a Material Adverse Effect on its business.

5.2 Authorization and Binding Obligation. Buyer has all necessary power and authority to enter into and perform its obligations under this Agreement and the documents contemplated hereby and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each of the other documents contemplated hereby at or prior to Closing will be, duly executed and delivered by Buyer. This Agreement constitutes (and each of the other documents contemplated hereby, when executed and delivered, will constitute) valid and binding obligations enforceable against Buyer in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies.

5.3 Absence of Conflicting Agreements or Required Consents. Except for the FCC Consent and the consent by lessors to the assignment of the Real Property Leases, the execution, delivery and performance of this Agreement by Buyer does not and will not: (a) violate any provision of the Buyer's organizational documents; (b) require the consent of any governmental authority; (c) violate any material law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (d) either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination or acceleration of, or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement, lease, instrument, license or permit to which the Buyer is now subject.

5.4 Absence of Litigation. There is no claim, litigation, arbitration or proceeding pending or, to the Knowledge of Buyer, threatened, before or by any court, governmental authority or arbitrator relating to Buyer or its parent company that seeks to enjoin or prohibit, or that could hinder or impair, the Buyer's performance of its obligations under this Agreement.

5.5 Broker's Fees. Neither Buyer nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity, and no person or entity is entitled to any such payment from the Buyer in connection with the transactions contemplated by this Agreement. Buyer shall indemnify and hold harmless Seller for any payment due to any broker or agent based on any agreement made by Buyer.

5.6 Buyer's Qualifications. Buyer is financially qualified, and financially capable,

to consummate the transactions contemplated by this Agreement and is willing and able to certify to its financial qualifications on FCC Form 314. Buyer is legally qualified under the Communications Act of 1934, as amended (the "*Communications Act*") and the rules and regulations of the FCC to be an assignee and licensee of radio station licenses authorized by the FCC as a general matter and of the Stations in particular. There is no undisclosed fact relating to Buyer that would, under present law (including published policies of the FCC), disqualify Buyer from being the assignee of the Stations or that would delay FCC approval of the assignment of the FCC Licenses. Should Buyer become aware of any such fact, it will so inform Seller within five days of its awareness and will use its best efforts to remove any such disqualification. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification.

ARTICLE 6 GOVERNMENTAL CONSENTS

6.1 FCC Application.

(a) The assignment of the FCC Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC without the imposition of any conditions that would have a Materially Adverse Effect on either Party as set forth in Section 6.1(b). Prior to the Closing, Buyer shall not directly or indirectly control, supervise, direct, or attempt to control, supervise, or direct, the operation of the Stations, and such operation, including complete control and supervision of all of the Stations' programs, employees, policies and financial matters, shall be the sole responsibility of Seller as the operator of the Stations until the Closing.

(b) No later than five (5) business days after the date of this Agreement, Buyer and Seller shall prepare and jointly file the FCC Application and the Parties shall use reasonable best efforts to cause the FCC to accept the FCC Application for filing as soon as practicable. Buyer and Seller shall thereafter prosecute the FCC Application in good faith and with all reasonable diligence and otherwise use their reasonable best efforts to obtain the grant of the FCC Application as expeditiously as practicable; provided, however, that neither Seller nor Buyer shall have any obligation to satisfy any complainant or the FCC by taking any steps which would have a Material Adverse Effect upon Seller or Buyer or upon any Affiliate, but neither the expense nor inconvenience to a Party of defending against a complainant or an inquiry by the FCC shall be considered a Material Adverse Effect on such Party. If the FCC Consent imposes any condition on any Party hereto, such Party shall use its reasonable best efforts to comply with such condition; provided, however, that no Party shall be required to comply with any condition that would have a Material Adverse Effect upon it or any Affiliate. If rehearing, reconsideration or judicial review is sought by a third party or by the FCC on its own motion with respect to the FCC Consent, Buyer and Seller shall vigorously oppose such efforts for rehearing, reconsideration or judicial review; provided, however, that nothing herein shall be construed to limit either Party's right to terminate this Agreement pursuant to Article 11 (Termination Rights).

(c) Buyer and Seller shall share equally the cost of the FCC filing fees for the FCC Application. Each Party shall bear its own costs and expenses in connection with the preparation of the portion of the FCC Application to be prepared by it and in connection with the

processing and defense of the application.

ARTICLE 7 COVENANTS

7.1 Conduct of Business.

(a) Affirmative Covenants of Seller. Between the date of this Agreement and the Closing Date, except as expressly prohibited by this Agreement or with the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed:

i. Seller will notify Buyer in writing if Seller has Knowledge prior to the Closing of: (1) any representations or warranties contained in Article 4 hereof that are no longer true and correct in any material respect, (2) the occurrence of any event that would require any changes or amendments to the schedules attached to this Agreement, or (3) the occurrence of any other event that violates any covenants, conditions or agreements to be complied with or satisfied by Seller under this Agreement.

ii. Seller will notify Buyer of supplements or amendments to the schedules with respect to any matter arising after the date of this Agreement that would have been required to be set forth or described in the schedules or which are necessary to correct any information in the schedules or in any representation or warranty. All representations and warranties herein made by Seller shall be qualified by any information that Seller discloses in writing to Buyer prior to the Closing Date if such information is disclosed to Buyer within a reasonable time after becoming known to the Seller; provided, however, that if any such disclosure reveals any facts or circumstances which have a Material Adverse Effect on the Stations, the occurrence of such facts or circumstances shall qualify as a breach of the representations and warranties under this Agreement and Buyer's sole and exclusive remedy shall be Buyer's right of termination in Section 11.1(a)(i).

iii. Seller will comply in all material respects with all laws applicable to Seller's use of the Assets and operate and maintain the Stations and its operations in conformity with the FCC Licenses, the Communications Act, and the rules and regulations of the FCC;

iv. Seller will maintain the Assets in customary repair, maintenance and condition, except for wear and tear incurred in the ordinary course of business;

v. Seller will maintain in full force and effect the FCC Licenses relating to the Stations and the Assets and take any action necessary before the FCC, including the preparation and prosecution of applications for renewal of the FCC Licenses, if necessary, to preserve such licenses in full force and effect without material adverse change;

vi. Seller maintain the Real Property and the Personal Property in its current condition (reasonable wear and tear in ordinary usage excepted);

vii. Seller will use commercially reasonable efforts to obtain any required consents under the Assumed Contracts and the Real Property Leases; and

viii. Seller will maintain in full force and effect reasonable property damage and liability insurance on the Assets in at least the amount provided for by the policies currently maintained by Seller.

(b) Negative Covenants. Between the date of this Agreement and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed:

i. Seller will not terminate, modify or amend any Assumed Contract or commit to any act or fail to take any action that would cause a breach of any Assumed Contract except in the ordinary course of business consistent with past practice;

ii. Seller will not create any Lien on any of the Assets;

iii. Seller will not sell, assign, lease or otherwise transfer or dispose of any of the Assets, except for the Assets consumed or disposed of in the ordinary course of business and which, as appropriate, are replaced by the Sellers in the ordinary course of business with assets of equivalent or better functionality and value; and

iv. Seller will not modify or amend any of the FCC Licenses without Buyer's prior written consent, which consent may not be unreasonably withheld, conditioned or delayed.

(c) Affirmative Covenants of Buyer. Buyer shall promptly notify Seller in writing if Buyer has Knowledge prior to the Closing of: (i) any representations or warranties contained in Article 5 hereof that are no longer true and correct in any material respect; (ii) the occurrence of any event that would require any changes or amendments to the schedules attached to this Agreement, or (iii) the occurrence of any other event that may result in a violation of any covenants, conditions or agreements to be complied with or satisfied by Buyer under this Agreement.

(d) Joint Covenants Regarding Real Property.

i) Condition of Title: With respect to the Owned Real Property, within ten (10) days after the date of this Agreement (unless required to be delivered earlier pursuant to another provision of this Agreement), Seller shall, to the extent Seller has in its possession and has not already delivered to Buyer, deliver to Buyer copies of (i) any existing surveys and plats, (ii) Seller's deeds, (iii) the most recent title insurance commitments or policies, (iv) the Owned Real Property tax bill for the current fiscal year (or such estimated Owned Real Property tax bill as is provided under local custom or practice) and (v) any material permits relating to the ownership, maintenance, use, occupancy and operation of any Owned Real Property. Seller shall cooperate with Buyer to enable Buyer to obtain, at Buyer's expense, within thirty (30) days after the date of this Agreement (such thirtieth (30th) day, the "Title Date"): (i) preliminary reports on title covering a date subsequent to the date of this Agreement, issued by the title company selected by Buyer (the "Title Company"), which preliminary reports shall contain a commitment (each, a "Title Commitment") of the Title Company to issue one or more (as appropriate) owner's title insurance policies (and any corresponding mortgagee policies)

with respect to the Owned Real Property insuring the interest of Buyer in such parcels of Owned Real Property at Closing; and (ii) copies of all documents, filings and information disclosed in the Title Commitment. The Title Commitment shall reflect that each parcel comprising the Owned Real Property is not subject to any Liens. If a Title Commitment fails to meet the requirements set forth in the immediately preceding sentence or is not otherwise satisfactory to Buyer, then Buyer may notify Seller in writing within ten (10) days after the Title Date (the “Title Objection Period”) (which notice shall include copies of the Title Commitment and the relevant title documents) in reasonable detail the title failure(s) to which Buyer objects (the “Title Objection Letter”). If Buyer does not notify Seller of Buyer’s objections in a Title Objection Letter provided before the end of the Title Objection Period, then Buyer will be conclusively deemed to have waived all title objections and to have approved the condition of title of the Owned Real Property. If Buyer submits such notice within the Title Objection Period, Seller may, at Seller’s option, within thirty (30) days after receipt of Buyer’s Title Objection Letter cure or agree in writing to cure at or before the Closing the title deficiency (or deficiencies) at Seller’s cost. All standard exceptions that can be deleted by the use of reasonable and standard affidavits (without indemnification of any kind from Seller and provided that Seller shall not be required to incur any cost, expense or other liability in connection therewith) are to be deleted from the Title Commitment and Title Policies. Seller may elect to cure, or cause to be cured, or otherwise cooperate with Buyer in executing and delivering such instruments to the Title Company. Seller is not obligated to cure or cause to be cured, any obligation raised in Buyer’s Title Objection Letter. If Seller does not cure or agree in writing to cure at or before the Closing the title deficiency (or deficiencies) at Seller’s cost during such thirty- (30-) day period, then Buyer as its sole remedies may terminate this Agreement.

ii) Condition of Owned Real Property: Buyer’s due diligence and inspection period shall be sixty (60) days after the signing of this Agreement. During the due diligence period, Buyer shall have the right, at Buyer’s expense, to conduct inspections of the Property, including but not limited to, square footage, wood infestation, roof, designated flood hazard area, structural, plumbing, sewer/septic, heating, air conditioning, electrical and mechanical systems, soil, foundation, possible environmental hazards, water damage, mold, location of property lines, sign usage, zoning regulations, variances, use permits, and any other inspections to enable Buyer to satisfy itself with respect to the physical condition of the Property and the feasibility and suitability of the Property for Buyer’s intended purposes.

If prior to the expiration of the due diligence period, Buyer reasonably disapproves of the Property, Buyer shall (a) immediately terminate this Agreement by written notice to Seller, or (b) deliver to Seller written notice of the items disapproved and provide Seller an opportunity to correct the items. If Buyer elects option (b), Seller shall respond in writing within thirty (30) days after delivery to Seller of Buyer’s notice of items disapproved. If Seller does not respond, or is unwilling or unable to agree to correct any of the items disapproved by Buyer, then Buyer may either (a) terminate this Agreement by written notice to Seller within ten (10) days after receipt of Seller’s response (or within ten (10) days after the time for Seller to respond has expired, if no

response is made) or (b) proceed with the transaction, in which case Seller shall not be obligated to correct those items disapproved by Buyer.

Buyer's failure to give written notice of termination of this Agreement or disapproval of items within the specified time periods shall conclusively be deemed Buyer's election to accept the condition of the Property and to proceed with the transaction without liability to Seller.

7.2 Access. Between the date hereof and the Closing Date and during regular business hours (so long as it would not unreasonably interfere with the operations of Seller), Seller will afford Buyer, its counsel, accountants, environmental consultants, appraisers and other advisers and representatives, upon reasonable advance notice, access to the Stations and Real Property Leases to review and inspect the Assets and the Stations, to inspect and copy all Assumed Contracts, environmental and engineering studies and reports, and other documents and contracts relating exclusively to the technical operation of the Assets.

7.3 No Inconsistent Action. Between the date of this Agreement and the Closing, each Party shall use its reasonable best efforts to cause the fulfillment at the earliest practicable date of all of the conditions to the obligations of such Party to consummate the sale and purchase of the Stations and shall take no actions which are inconsistent with its obligations under this Agreement or that would materially hinder or delay the consummation of the transactions contemplated by this Agreement. In particular, neither Party shall take any action that would jeopardize the FCC Licenses, result in its disqualification to hold the FCC Licenses, or in any way delay grant of the FCC Application or consummation of the transactions contemplated by this Agreement, and Buyer shall take no action which would impair its financial or other qualifications to consummate this transaction in accordance with its terms. Should either Party become aware of any such fact or circumstance, such Party shall promptly inform the other.

7.4 Confidentiality. Each Party shall keep confidential all information obtained by it with respect to the other Party in connection with this Agreement, except where such information is known through other lawful sources or where its disclosure is required in accordance with Applicable Law, including requirements of the FCC pursuant to the FCC Application.

7.5 Further Assurances. Seller and Buyer shall cooperate and take such actions, and execute such other documents, at the Closing or thereafter, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement, including, for example, promptly advising each other of all communications relevant to the transactions contemplated by this Agreement received from the FCC after the date of this Agreement and furnishing each other with copies of all such written communications.

7.6 Press Releases. Seller and the Buyer agree that, from the date hereof through the Closing Date, or, in the event this Agreement is terminated, for a period of one (1) year following termination, no public release or announcement concerning the transactions contemplated hereby shall be issued by either Party without the prior consent of the other Party, except as such release or announcement may be required by any law or the rules or regulations of the United States or any state therein, in which case the Party required to make the release or

announcement shall allow the other Party reasonable time to comment on such release or announcement in advance of such Issuance.

7.7 FCC Authorizations. Until the Closing, Seller shall be the holder of all of the FCC Licenses relating to the Stations as designated on Schedule 1.1(a), and shall not cause or suffer there to be any modification of any FCC License relating to the Stations that could have a Material Adverse Effect on the conduct of the business and operations of the Stations.

7.8 Consents; Benefit of Agreements. Seller shall use commercially reasonable efforts to obtain all consents and approvals required for the assignment of the Assumed Contracts. If, with respect to any lease, commitment or agreement to be assigned to the Buyer, a required consent to the assignment is not obtained, Seller shall use commercially reasonable efforts to keep it in effect and give Buyer the benefit of it to the same extent as if it had been assigned, and the Buyer shall perform Seller's obligations under the agreement relating to the benefit obtained by the Buyer. Nothing in this Agreement shall be construed as an attempt to assign any agreement or other instrument that is by its terms non-assignable without the consent of the other party.

7.9 Post Closing Access. Following Closing, upon reasonable request by Buyer and at Buyer's expense, Seller shall make available during normal business hours, for any reasonable purpose and upon reasonable notice, any records, files, documents and correspondence relating to the Stations and access to officer of Seller. Buyer, following the Closing Date, shall promptly make available during normal business hours for review and inspection by Seller and Seller's representatives, at Seller's expense, for any reasonable purpose, including but not limited to any audit, investigation, dispute or litigation, or any other reasonable business purpose, and upon reasonable notice, all records, files, documents and correspondence transferred to Buyer hereunder relating to the pre-closing period. All information, records, files, documents and correspondence made available or disclosed under this Section shall be kept confidential, except with respect to disclosure to the FCC or any other appropriate tribunal, or as otherwise required by law.

ARTICLE 8 CONDITIONS PRECEDENT

8.1 To Buyer's Obligations Regarding Closing. The obligations of Buyer hereunder to complete the Closing are subject to the satisfaction or to the waiver by Buyer in its sole discretion (except for Section 8.1(c) below, which may not be waived), at or prior to the Closing Date, of each of the following conditions:

(a) **Representations, Warranties and Covenants.**

i. All representations and warranties made by Seller in this Agreement shall be true and correct in all material respects (except as otherwise expressly permitted by this Agreement) on and as of the Closing Date as if made on and as of that date.

ii. All of the terms, covenants and conditions to be complied with or

performed by Seller under this Agreement on or prior to the Closing Date shall have been complied with or performed by Seller in all material respects.

(b) No Injunction. No order of any court or administrative agency shall be in effect which restrains or prohibits the transactions contemplated by this Agreement in accordance with its terms.

(c) FCC Consent. The FCC Consent relating to the Stations shall have been obtained without the imposition of any condition materially adverse to Buyer except those that are customary in the assignment of FCC licenses generally. In the event a petition to deny or informal objection is filed with respect to the FCC Application, then, unless otherwise mutually agreed by the Parties, such FCC Consent relating to the FCC Application shall have become a Final Order.

(d) Estoppel Certificates. Buyer shall have received duly executed and delivered estoppel certificates, consents and waivers signed from the landlords of all leased towers, tower sites, studio sites, and any other Real Property Leases used in the operation of the Stations, in form and substance satisfactory to Buyer.

(e) Deliveries. Sellers shall have made all deliveries required under Section 9.1.

(f) KYCA Assignment. An Affiliate of Seller, Southwest Broadcasting Company, and Buyer have entered into that certain Asset Purchase Agreement dated of even date herewith for the sale and purchase of KYCA(AM), Prescott, Arizona (Facility ID No. 61433), and FM translator K278CN (f/k/a K246BI), Winslow, Arizona (Facility ID No. 150097) (the “**KYCA APA**”). The FCC shall have granted its consent to the assignment of the KYCA license to Buyer without any conditions materially adverse to Buyer except those that are customary in the assignment of FCC licenses generally. In the event a petition to deny or informal objection is filed with respect to the FCC Application for consent to the assignment of the KYCA license to Buyer, then, unless otherwise mutually agreed by the Parties, such FCC Consent relating to the FCC Application shall have become a Final Order. Closing in connection with the KYCA APA shall occur concurrently with the Closing of this Agreement.

8.2 To Seller’s Obligations. The obligations of Seller hereunder to complete the Closing are subject to the satisfaction or to the waiver by Seller in its sole discretion (except for Section 8.2(c) below, which may not be waived), at or prior to the Closing Date, of each of the following conditions:

(a) Representations, Warranties and Covenants.

i. All representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects (except as otherwise expressly permitted by this Agreement) on and as of the Closing Date as if made on and as of that date.

ii. All of the terms, covenants and conditions to be complied with or

performed by Buyer under this Agreement on or prior to the Closing Date shall have been complied with or performed by Buyer in all material respects.

(b) No Injunction. No order of any court or administrative agency shall be in effect which restrains or prohibits the transactions contemplated by this Agreement in accordance with its terms.

(c) FCC Consent. The FCC Consent relating to the Stations shall have been obtained without the imposition of any condition materially adverse to Seller except those that are customary in the assignment of FCC licenses generally. In the event a petition to deny or informal objection is filed with respect to the FCC Application, then, unless otherwise mutually agreed by the Parties, such FCC Consent relating to the FCC Application shall have become a Final Order.

(d) Deliveries. Buyer shall have made all the deliveries required under Section 9.2 and shall have paid the Purchase Price as provided in Section 2.1.

(e) Seller's Assignment. An Affiliate of Seller, Southwest Broadcasting Company, and Buyer have entered into that certain Asset Purchase Agreement dated of even date herewith for the sale and purchase of KYCA(AM), Prescott, Arizona (Facility ID No. 61433), and FM translator K278CN (f/k/a K246BI), Winslow, Arizona (Facility ID No. 150097) (the "**KYCA APA**"). The FCC shall have granted its consent to the assignment of the KYCA license to Buyer without any conditions materially adverse to Buyer except those that are customary in the assignment of FCC licenses generally. In the event a petition to deny or informal objection is filed with respect to the FCC Application for consent to the assignment of the KYCA license to Buyer, then, unless otherwise mutually agreed by the Parties, such FCC Consent relating to the FCC Application shall have become a Final Order. Closing in connection with the KYCA APA shall occur concurrently with the Closing of this Agreement.

ARTICLE 9 DOCUMENTS TO BE DELIVERED AT THE CLOSING

9.1 Documents to be Delivered by Seller. At the Closing, Seller shall deliver to Buyer the following:

(a) Copies of resolutions of Seller authorizing the execution, delivery and performance of this Agreement by Seller, and the consummation of the transactions contemplated hereby, certified on behalf of Seller by a duly authorized officer of Seller, as being true, correct, in full force and effect and complete as of the Closing Date;

(b) A certificate for Seller, dated as of the Closing Date, executed by an officer of Seller, certifying on behalf of Seller that the closing conditions specified in Section 8.1(a) and (b) have been satisfied;

(c) Duly executed instruments of conveyance and transfer effecting the sale, transfer, assignment and conveyance of the Assets to Buyer, without representation or warranty of any kind whatsoever except that the Assets are free and clear of all Liens, including the

following:

- i. an assignment and assumption of FCC authorizations assigning the FCC Licenses from Seller to Buyer;
 - ii. a bill of sale conveying the Personal Property to Buyer;
 - iii. an assignment of the Intangible Property to Buyer.
 - iv. an assignment and assumption agreement assigning the Real Property Leases to Buyer;
 - v. the estoppel certificates and consents from landlords consenting to the assignment of the Real Property Leases and from counterparties, if required, consenting to the assignment of Assumed Contracts to Buyer;
 - vi. an assignment and assumption agreement assigning Seller's rights under the Assumed Contracts to Buyer;
 - vii. mortgage discharges and termination statements on Form UCC-3, or other appropriate releases, which when filed will release and satisfy any and all Liens relating to the Stations Assets, together with proper authority to file such termination statements or other releases at and following the Closing;
 - viii. such affidavits, certifications and information as the Title Company may reasonably require for the purpose of issuing to Buyer at Closing an ALTA owner's title insurance policy for the Owned Real Property; and
 - ix. a general warranty deed for the Owned Real Property.
- (d) Such other documents, information, certificates and materials as may be required by this Agreement.

9.2 Documents to be Delivered by Buyer. At the Closing, Buyer shall deliver to Seller the following:

- (a) Copies of resolutions of Buyer authorizing the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby, certified on behalf of Buyer by a duly authorized officer of Buyer, as being true, correct, in full force and effect and complete as of the Closing Date;
- (b) A certificate for the Buyer, dated as of the Closing Date, executed on behalf of the Buyer by a duly authorized representative of the Buyer, certifying that the closing conditions specified in Sections 8.2(a) and (b) have been satisfied;
- (c) Assignment and assumption of FCC authorizations assuming the FCC Licenses;

- (d) Assignment and assumption agreement assuming Seller's obligations for Real Property Leases;
- (e) Assignment and assumption agreement assuming Seller's obligations under the Assumed Contracts; and
- (f) Evidence of Buyer's payment to Seller of the Purchase Price as described in Section 2.1.
- (g) Such other documents, information, certificates and materials as may be required by this Agreement.

ARTICLE 10 INDEMNIFICATION

10.1 Seller's Indemnities. From and after the Closing, Seller shall indemnify, defend, and hold harmless Buyer and its Affiliates, and their respective shareholders, directors, officers, employees, and representatives from and against, and reimburse them for, all claims, damages, liabilities, losses, costs and expenses, including interest, penalties, court costs and reasonable attorneys' fees and expenses (each, a "*Loss*" and together, "*Losses*"), resulting from:

- (a) Any false and material representation knowingly or negligently made by Seller, breach of warranty or non-fulfillment of any covenant of Seller contained in this Agreement or in any certificate, document or instrument delivered by Seller to Buyer under this Agreement; or

- (b) Any liabilities of Seller not assumed by Buyer under this Agreement, including any liabilities arising (i) from the ownership or operation of the Stations and/or Assets before the Closing, including any liabilities arising under the FCC Licenses, the Real Property or the Assumed Contracts and (ii) at any time under any contract or agreement not included in the Assumed Contracts.

10.2 Buyer's Indemnities. From and after the Closing, Buyer shall indemnify, defend and hold harmless Seller and its Affiliates, and their respective shareholders, directors, officers, employees, and representatives, and the successors and assigns of any of them, from and against, and reimburse them for, all Losses resulting from:

- (a) Any false and material representation knowingly or negligently made by Buyer, breach of warranty or non-fulfillment of any covenant of Buyer contained in this Agreement or in any certificate, document or instrument delivered by Buyer to Sellers under this Agreement;

- (b) The ownership or operation of the Stations and/or Assets following the Closing, including any liabilities arising under the FCC Licenses, the Real Property or the Assumed Contracts which relate to events occurring following the Closing; or

- (c) Any liability or obligations assumed by Buyer under this Agreement.

10.3 Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The Party seeking indemnification under this Article 10 (the “**Claimant**”) shall give notice to the Party from whom indemnification is sought (the “**Indemnitor**”) of any Loss, reasonably specifying (i) the factual basis for the Loss; and (ii) the amount of the Loss if then known. If the Loss relates to an action, suit or proceeding filed by a third party against Claimant, notice shall be given by Claimant within fifteen (15) days after written notice of the action, suit or proceeding was given to Claimant. In all other circumstances, notice shall be given by Claimant within thirty (30) days after Claimant becomes aware of the facts giving rise to the Loss.

(b) The Claimant shall make available to Indemnitor and/or its authorized representatives the information relied upon by the Claimant to substantiate the Loss.

(c) With respect to any Loss resulting from a claim by a third party as to which the Claimant is entitled to indemnification hereunder, the Indemnitor shall, without prejudice to its rights to contest the obligation to indemnify, defend against the claim with counsel reasonably acceptable to Claimant, and the Claimant shall cooperate fully with the Indemnitor, subject to reimbursement for reasonable expenses incurred by the Claimant as the result of a request by the Indemnitor. The Claimant shall have the right to participate in the defense of the claim at its own expense. If the Indemnitor does not assume control of the defense of any third party claim, Claimant may, but shall have no obligation to, defend or settle such claim or litigation in such a manner as it deems appropriate, and in such event Indemnitor shall be bound by the results obtained by the Claimant with respect to the claim (by default or otherwise) and shall promptly reimburse Claimant for the amount of all expenses (including the amount of any judgment rendered), legal or otherwise, of the Claimant against any third party with respect to any Loss for which indemnity was paid.

10.4 Limitations. The Indemnitor shall only be required to indemnify the Claimant under this Article 10 if: (i) Claimant's written notice of the Loss under this Article 10 is received by the Indemnitor within six (6) months following Closing (the “**Survival Period**”); (ii) the aggregate amount of Losses exceeds \$20,000, after which the Claimant shall be entitled to recover, and the Indemnitor shall be obligated for, all Losses after the first \$20,000 of such Losses; provided that the Indemnitor's maximum liability for Losses hereunder shall be \$200,000; provided further that the limitations set forth in subsections (i) and (ii) of this Section 10.4 shall not apply to Losses relating to Section 10.1(b), 10.2(b) or 10.2(c). In calculating the amount of Losses of a Claimant under this Article 10: (a) such Losses shall be reduced by any recovery from any third party (including insurance proceeds) as a result of the facts or circumstances giving rise to the Losses; (b) Losses shall only include the Party's actual out-of-pocket costs and expenses and not any punitive, special, consequential (such as lost profits) or other indirect damages; and (c) no Proration Amounts shall be included in such Losses.

10.5 Exclusive Remedies. Buyer and Sellers acknowledge and agree that the foregoing indemnification provisions in this Article 10 shall be the exclusive remedy of Buyer and Seller with respect to the Losses or any other claims that a Party may have after the Closing

Date relating to the transactions contemplated by this Agreement, except either Party may pursue injunctive relief to enforce covenants in the Agreement that survive the Closing and are supportable under applicable law.

ARTICLE 11 TERMINATION RIGHTS

11.1 Termination.

(a) In addition to other remedies available prior to Closing, this Agreement may be terminated prior to the Closing by either Buyer or Seller, if the Party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other, if:

i. the other Party is in material breach of this Agreement, or Seller's Affiliate or Buyer are in breach of the KYCA APA, and such breach has been neither cured within the cure periods allowed under subsection (c) below or in a similar provision of the KYCA APA, nor waived by the Party or Affiliate of Seller giving such termination notice;

ii. a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement or the KYCA APA and such order, decree, ruling or other action shall have become final and non-appealable;

iii. the FCC Consent has not been issued by the date which is one (1) year after the date of this Agreement (the "**Upset Date**"); or

iv. the FCC denies the FCC Application for either KAHM or KYCA and such denial becomes a Final Order.

(b) This Agreement may be terminated by mutual written consent of Buyer and Seller.

(c) If either Party believes the other to be in breach or default of this Agreement, the non-defaulting Party shall, prior to exercising its right to terminate under Section 11.1(a)(i), provide the defaulting Party with notice specifying in reasonable detail the nature of such breach or default. Except for a failure to pay the Purchase Price, the defaulting Party shall have thirty (30) days from receipt of such notice to cure such default. If the 30-day cure period set forth in the previous sentence would extend beyond the Upset Date, then notwithstanding the definition of Upset Date set forth in Section 11.1(a)(iii) hereof, the term Upset Date shall mean the date one business day after the end of such 30-day cure period.

(d) This Agreement may be terminated by Buyer by giving written notice to Seller under the circumstances specified in Section 12.14 dealing with Risk of Loss.

11.2 Provisions Surviving Termination. The following sections shall survive the termination of this Agreement pursuant to this Article 11: 7.4 (Confidentiality), 7.5 (Further Assurances), 7.7 (Press Releases), 7.9 (Post-Closing Access), and the provisions in Article 12

(Other Provisions) and Article 13 (Definitions) that by their terms would survive termination.

11.3 Payment of Escrow Deposit.

(a) Buyer's Default. Upon a termination of this Agreement by Seller pursuant to Section 11.1(a)(i) due to a breach by Buyer of any of its material obligations under this Agreement, Seller shall be entitled to receive upon such termination, as liquidated damages and not as a penalty, the Escrow Deposit, together with any earnings thereon. Seller and Buyer each acknowledge that such payment to Seller of the Escrow Deposit as liquidated damages is reasonable in light of the anticipated harm that would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(b) Seller's Default. Upon a termination of this Agreement by Buyer pursuant to Section 11.1(a)(i) due to a breach by Seller of any of its material obligations under this Agreement, Buyer shall be entitled to the release of the Escrow Deposit, together with any earnings thereon, and Buyer may seek all rights and remedies that it may have in equity or law.

(c) Other Termination. Upon a termination of this Agreement for any reason other than those set forth in Sections 11.3(a)-(b) above, Buyer shall be entitled to the release of the Escrow Deposit, together with any earnings thereon, and thereafter neither Party will have any further liability or obligation to the other Party except with respect to those provisions that survive termination of this Agreement.

11.4 Specific Performance. If this Agreement is terminated pursuant to Section 11.1(a)(i) due to the default of Seller, the Buyer may, in lieu of return of the Escrow Deposit, bring an action for specific performance or injunctive relief. In such event, Buyer shall waive the right to sue Seller for damages. An action for specific performance or injunctive relief shall be a reasonable and satisfactory alternative remedy. Seller acknowledges that the Stations are a unique asset that cannot be readily replaced on the open market and that Buyer will be irreparably injured if this Agreement is breached by Seller. Therefore, in the event that Buyer institutes any action to obtain injunction relief or to specifically enforce Seller's performance under this Agreement, Seller agrees to waive the defense that Buyer has an adequate monetary remedy at law and Seller shall not interpose any opposition, legal or otherwise, as to the propriety of specific performance or injunctive relief as a remedy for Buyer.

ARTICLE 12 OTHER PROVISIONS

12.1 Transfer Taxes and Expenses. All recordation, transfer, documentary fees, and sales taxes, if any, imposed on this transaction shall be shared equally by Buyer and Seller. The FCC filing fees relating to the FCC Application and the fees of the Escrow Agent shall also be shared equally by Buyer and Seller. 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.

12.2 Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns. Neither Buyer nor Seller may assign its rights under this Agreement without the prior written consent of the other Party. Except as expressly provided in this Agreement, this Agreement is not intended to, nor shall it, create any rights in any person other than the Parties.

12.3. Additional Documents. The Parties agree to execute, acknowledge and deliver, before, at or after the Closing Date, such further instruments and documents as may be reasonably required to implement, consummate and effectuate the terms of this Agreement.

12.4 Entire Agreement; Schedules; Amendment; Waiver. This Agreement, the schedules hereto and the Escrow Agreement embody the entire agreement and understanding of the Parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. Any matter that is disclosed in a schedule hereto shall be deemed to have been included in other pertinent schedules, notwithstanding the omission of an appropriate cross-reference. 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 or consent is sought. No failure or delay on the part of Buyer or Seller in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

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

12.6 Computation of Time. If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a federal holiday, then such time shall be extended to the next business day.

12.7 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Arizona without regard to any choice or conflicts of law provision or rule (whether of the State of Arizona or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Arizona.

12.8 Court Trial. Any litigation in connection with this Agreement shall be brought exclusively in the state or federal courts situated in Maricopa County, Arizona. Each of the Parties waives any defense of lack of jurisdiction or inconvenient forum to the maintenance of any action or proceeding so brought in the courts in Maricopa County, Arizona, and waives any bond, surety or other security that might be required of any other Party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be serviced at the address and in the manner provided for in the giving of notices in Section 12.11. EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN ANY LITIGATION RELATIVE TO THIS AGREEMENT OR THE WARRANTIES, REPRESENTATIONS OR COVENANTS RELATED TO THIS AGREEMENT AND THE

TRANSACTIONS CONTEMPLATED HEREBY.

12.9 Attorneys' Fees. In the event of any dispute between the Parties to this Agreement, Seller or Buyer, as the case may be, shall reimburse the prevailing Party for its reasonable attorneys' fees and other costs incurred in enforcing its rights or exercising its remedies under this Agreement. Such right of reimbursement shall be in addition to any other right or remedy that the prevailing Party may have under this Agreement.

12.10 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be invalid and be enforced to the fullest extent permitted by law.

12.11 Notices. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be addressed to the following addresses or to such other address as any Party may request:

If to Seller:	Southwest FM Broadcasting Co., Inc. 510 Henry Street Prescott, AZ 86302 Attention: James Hancock Telephone: 928-445-7424 Facsimile: 928-445-5089 Email: hanarb@msn.com
---------------	--

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

Ellen Mandell Edmundson, Esquire
Cohn and Marks LLP
1101 17th Street N.W. – Suite 1001
Washington, DC 20036
Phone: 202-452-4825
Facsimile: 202-293-4827
E-mail: ellen.edmundson@cohnmarks.com

If to Buyer:	Phoenix Radio Broadcasting, LLC 1440 E. Washington Street Suite 300 Phoenix, AZ 85034 Attention: Bill Barquin Telephone: 602-269-3121 Facsimile: 602-269-3020 Email: billbarquin@chavezfoundation.org
--------------	--

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

Garvey Schubert Barer
1000 Potomac Street, NW, Suite 200
Washington, DC 20007-3501
Attention: Brad C. Deutsch
Telephone: 202-298-1793
Facsimile: 202-965-1729
Email: bdeutsch@gsblaw.com

Any such notice, demand or request shall be deemed to have been duly delivered and received (a) on the date of personal delivery, (b) on the date of transmission if sent by facsimile or email, (c) five (5) days after being mailed by certified mail, or (d) on the date of a signed receipt if sent by an overnight delivery service.

12.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

12.13 Facsimile or Email Signatures. The Parties agree that transmission to the other Party of this Agreement with its facsimile or email signature shall bind the Party transmitting this Agreement by facsimile or email in the same manner as if such Party's original signature had been delivered.

12.14 Risk of Loss. The risk of loss or damage to the Assets shall be upon Seller at all times prior to Closing. In the event of such loss or damage, Seller will promptly notify Buyer and may repair, replace or restore the Assets to their former condition. If material damage has occurred that precludes the operation of the Stations within the terms of its license and the Assets have not been repaired or restored prior to the Closing Date, Buyer may, at its option:

(a) elect to consummate the Closing and accept the Stations "as is," in which event Seller will pay over to Buyer any proceeds of insurance received by Seller and attributable to damage to the Stations or the Assets, in which case Seller will have no further obligation to repair, replace or restore the damaged property; or

(b) elect to postpone the Closing Date for a period of up to ninety (90) days, with prior consent of the FCC if necessary, to permit Seller, at its option, to make such repairs, replacements, or restoration as are required to restore the property to the equivalent of its former condition. If after the expiration of the extension period the property has not been repaired, replaced or restored in a manner sufficient to permit the Stations to resume operation within the terms of its license, Buyer may terminate this Agreement. If the parties disagree whether the property has been adequately repaired, replaced or restored, the matter will be referred to a mutually acceptable qualified consulting communications engineer, who shall be a member of the Association of Federal Communications Consulting Engineers, whose decision will be final, and whose fees and expenses will be split equally by the parties.

ARTICLE 13 DEFINITIONS

13.1 Defined Terms. Unless otherwise stated in this Agreement, the following terms when used herein shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

“Accounts Receivable” shall have the meaning set forth in Section 2.4(h).

“Affiliate” shall mean, with respect to any specified Person, another Person who or which indirectly controls, is controlled by, or is under common control with such Person.

“Agreement” shall mean this Asset Purchase Agreement.

“Applicable Law” means all laws, regulations and governmental orders applicable to the operation of the Stations.

“Assets” shall have the meaning set forth in Section 1.1.

“Assumed Contracts” shall have the meaning set forth in Section 1.1(d).

“Buyer” shall have the meaning set forth in the preamble to this Agreement.

“Claimant” shall have the meaning set forth in Section 10.3(a).

“Closing” and ***“Closing Date”*** shall have the meanings set forth in Section 3.1.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations thereunder, or any subsequent legislative enactment thereof, as in effect from time to time.

“Collection Period” shall have the meaning set forth in Section 2.4(h).

“Communications Act” shall have the meaning set forth in Section 5.6.

“Environmental Law” shall mean any and all federal, state or local laws (including common law), statutes, rules, regulations, codes, ordinances, orders and injunctions in effect on the date of this Agreement: (a) related to releases or threatened releases of, or exposure to, any Hazardous Materials; (b) governing the use, treatment, storage, disposal, transport or handling of Hazardous Materials; (c) related to pollution or the protection of the environment or (d) related to human or worker health and safety (with respect to management of or exposure to hazardous substances).

“Escrow Agent” shall have the meaning set forth in Section 2.2(a).

“Escrow Agreement” shall have the meaning set forth in Section 2.2(a).

“Escrow Deposit” shall have the meaning set forth in Section 2.2(a).

“Excluded Assets” shall have the meaning set forth in Section 1.2.

“FCC” shall have the meaning set forth in the recitals to this Agreement.

“FCC Application” shall mean the application or applications that Seller and Buyer must file with the FCC requesting its consent to the assignment of the FCC Licenses from Seller to Buyer.

“FCC Consent” shall mean the action or actions by the FCC granting the FCC Application.

“FCC Licenses” shall have the meaning set forth in Section 1.1(a).

“Final Order” shall mean the FCC Consent to the FCC Application has been issued, and such FCC Consent shall not have been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which action no timely request for stay, petition for rehearing, petition for reconsideration, application for review, or notice of appeal is pending, and as to which the times for filing any such request, petition, application, notice, or appeal, or for reconsideration or review by the FCC on its own motion, shall have expired.

“Hazardous Materials” shall mean all materials, substances or wastes classified, characterized, designated or regulated as “hazardous,” “toxic,” “pollutant” or “contaminant,” or words of similar meaning under any Environmental Law or otherwise subject to imposition of liability or standards of conduct under any Environmental Law.

“Indemnitor” shall have the meaning set forth in Section 10.3(a).

“Intangible Property” shall have the meaning set forth in Section 1.1(f).

“Intellectual Property” shall mean trade names, trademarks, service marks, copyrights, patents, jingles, slogans, symbols, logos, formats, programming materials and concepts, on air copy, on air talent concepts, telephone numbers, internet addresses, email addresses, universal resource locators (URLs), websites, web-site content, inventions, and any other proprietary material, process, trade secret, trade dress or trade rights, and all use rights and registrations, applications and licenses for any of the foregoing.

“Knowledge” shall mean, (i) in the case of Seller, the actual knowledge of the President and Chief Executive Officer, Chief Operating Officer, the Corporate Vice President of Engineering, General Manager, or local engineer, and (ii) in the case of Buyer, the actual knowledge, after reasonable inquiry, of its Members, Chief Operating Officer or the Chief Financial Officer.

“KYCA APA” shall have the meaning set forth in 8.1(f).

“Real Property” shall have the meaning set forth in Section 1.1(b).

“Real Property Leases” shall have the meaning set forth in Section 1.1(b).

“Liens” shall mean mortgages, deeds of trust, liens, security interests, pledges, collateral assignments, condition sales agreements, leases, encumbrances, claims or other defects of title, but shall not include (i) liens for current taxes not yet due and payable, (ii) other liens imposed by law (such as materialman’s mechanic’s, carrier’s, worker’s and repairman’s liens) arising in the ordinary course of business (provided that such liens do not interfere in any material respect with the use of the Assets as currently used and that Sellers remain liable for paying such liens), or (iii) valid leases or subleases to third parties with respect to property not used in the operation of the Stations.

“Loss” or “Losses” shall have the meaning set forth in Section 10.1.

“Material Adverse Effect” means any change or effect that is materially adverse to the Assets or Stations taken as a whole.

“Owned Real Property” shall have the meaning set forth in Section 1.1(b).

“Party” or “Parties” shall have the meaning set forth in the preamble.

“Person” shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

“Personal Property” shall have the meaning set forth in Section 1.1(c).

“Proration Amount” shall have the meaning set forth in Section 2.4(a).

“Proration Notice” shall have the meaning set forth in Section 2.4(d).

“Proration Dispute Notice” shall have the meaning set forth in Section 2.4(d).

“Purchase Price” shall have the meaning set forth in Section 2.1.

“Real Property Leases” shall have the meaning set forth in Section 1.1(b).

“Seller” shall have the meaning set forth in the preamble in this Agreement.

“Seller’s Predecessors” shall mean Lou Silverstein, Nancy Silverstein, and/or Mulligan Properties.

“Stations” shall have the meaning set forth in the recitals to this Agreement.

“Survival Period” shall have the meaning set forth in Section 10.4.

“Upset Date” shall have the meaning set forth in Section 11.1(a)(iii).

13.2 Miscellaneous Terms. The terms ‘or’ is disjunctive; the term “and” is conjunctive. The term “shall” is mandatory; the term “may” is permissive. Masculine terms apply to females as well as males; feminine terms apply to males as well as females. The term “includes” or “including” is by way of example and not limitation.


[Signature page follows]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have caused this Asset Purchase Agreement to be duly executed as of the date first written above.

“Seller”

**SOUTHWEST FM BROADCASTING
CO., INC.**

By: 
Its: President

“Buyer”

**PHOENIX RADIO
BROADCASTING, LLC**

By: _____
Its: _____

GSB:8938293.2

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have caused this Asset Purchase Agreement to be duly executed as of the date first written above.

“Seller”

**SOUTHWEST FM BROADCASTING
CO., INC.**

By: _____

Its: _____

“Buyer”

**PHOENIX RADIO
BROADCASTING, LLC**

By:  _____

Its: Secretary _____

GSB:8938293.2

SCHEDULE 1.1(a): FCC AUTHORIZATIONS

The following is a complete list of the FCC licenses, permits and authorizations of Southwest Broadcasting Company and Southwest FM Broadcasting Co., Inc. as of the date hereof:

Southwest Broadcasting Company

License:

KYCA(AM), 1490 KHz, Prescott, AZ (Fac. ID No. 61433)

FCC File No. BZ-20000110AAQ

Currently renewed through 10/01/2021 under FCC File No. BR-20130531AXW

License:

FM Translator K246BI, 97.1 MHz, Winslow, AZ (Fac. ID No.150097)

FCC File No. BLFT-20070806AAT

Currently renewed through 10/01/2021 under FCC File No. BRFT-20130603BDB

CP for modifications:

FM Translator K278CN (f/k/a K246BI), 103.5 MHz, Winslow, AZ (Fac. ID No.150097)

FCC File No. BPFT-20160201AAO, modifying BLFT-20070806AAT

Expires: 05/11/2019

Auxiliary licenses: Expire 10/01/2021

STL WQYM601, 950.625 MHz

RPU KK7966, 161.64 MHz

RPU KJJ782 161.64 MHz
161.67 MHz
161.70 MHz
161.73 MHz
161.76 MHz

RPU KJJ783 161.64 MHz
161.67 MHz
161.70 MHz
161.73 MHz
161.76 MHz

Applications: None

Southwest FM Broadcasting Co., Inc.

License:

KAHM(FM), 102.1 MHz, Spring Valley, AZ (Fac. ID No.61510)

FCC File No. BLH-19960111BK

Currently renewed through 10/01/2021 under FCC File No. BRH-20130531AYT

*CP for modifications:

KAHM(FM), 102.1 MHz, Spring Valley, AZ (Fac. ID No.61510)

Originally granted under FCC File No. BPH-20100813BHN.

Modified under File No. BMPH-20170815AAS.

Construction period tolled by Audio Division of FCC's Media Bureau. Next tolling report is due no later than March 7, 2018.

* The construction permit to modify KAHM (KAHM CP) under FCC File No. BMPH-20170815AAS modifies the construction permit under FCC File No. BPH-20100813BHN, which was originally granted for a 36-month construction period on January 11, 2013. The Audio Division of the FCC's Media Bureau has tolled the construction period for the KAHM CP. The next tolling report is due no later than March 7, 2018. The Parties acknowledge that Seller has an obligation to reimburse the licensees of Stations KVGG, Salome, AZ (Fac. ID No. 165984), and KBUX, Quartzsite, AZ (Fac. ID No. 7694), for their reasonable expenses to construct facilities to change channels, which construction must occur before the modified facilities authorized under the KAHM CP can be constructed. Buyer acknowledges that it will assume the obligation to reimburse KVGG and KBUX.

FM Translator K269EE, 101.7 MHz, Prescott, AZ (Fac. ID No.61511)

Expiration: 10/1/2021

Auxiliary licenses: Expire 10/01/2021

STL WHA894 947.0 MHz

RPU KPJ685 455.98 MHz

Applications: None

GSB:8939517.2