

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is entered into as of September 29, 2014 (the “Effective Date”) by and between Canyon Media Group, LLC, a Utah limited liability company (“Buyer”) and Patricia J. Young, an individual (“Seller”).

Recitals

A. Seller holds licenses for the following FM translator stations (the “Stations”) pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”):

K226BQ, 93.1 MHz, St. George, Utah (FCC Facility ID 86757)
K268BT, 101.5 MHz, Shivwits, Utah (FCC Facility ID 157980)
K242BV, 96.3 MHz, St. George, Utah (FCC Facility ID 158438)

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: SALE AND PURCHASE

1.1 Station Assets. On the terms and subject to the conditions hereof, at the Closing (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to the following assets, properties, interests and rights of Seller, that are used or held for use in the operation of the Stations (the “Station Assets”):

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (collectively, the “FCC Licenses”), including all including any renewals or modifications thereof between the date hereof and Closing (defined below);

(b) Seller’s equipment, transmitters, and antennas used or held for use in the operation of the Stations (the “Tangible Personal Property”); and

(c) Seller’s rights in and to all the files, documents, records, and books (or copies thereof) relating to the Stations, including programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, and logs.

1.2 Liens. The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances (“Liens”), except for liens for taxes not yet due and payable and liens that will be released at or prior to Closing (collectively, “Permitted Liens”).

1.3 Purchase Price. Subject to Section 1.4 hereof, the purchase price to be paid for the Station Assets shall be the sum of One Hundred Forty-Four Thousand Dollars and 00/100 (\$144,000.00) (the “Purchase Price”). The Purchase Price shall be payable at the first Closing in the form of a promissory note in the amount of One Hundred Forty-Four Thousand Dollars and 00/100 (\$144,000.00) (the “Note”), which shall be substantially in the form of Exhibit A hereto. The Note shall be secured by a security agreement (“Security Agreement”), substantially in the form attached hereto as Exhibit B.

1.4 Adjustments. In the event the Shivwits Closing does not occur on or before March 22, 2015 through no fault of Buyer, the parties agree that (i) the amount of the Note shall be reduced by \$48,000, and (ii) the Note and the Security Agreement shall be revised to exclude all references to K268BT, including the removal of the K268BT assets from the Collateral (as defined in the Security Agreement).

ARTICLE 2: FCC CONSENT, MODIFICATION APPLICATION AND CLOSING

2.1 FCC Consent; Modification Application. Within ten (10) business days of the execution of this Agreement, the parties shall file applications (the “Assignment Applications”) for FCC consent to the assignment of the FCC Licenses. One assignment application shall be filed for FM Translators K226BQ and K242BV (the “St. George Application”), and a separate assignment application shall be filed for FM Translator K268BT (the “Shivwits Application”). Each party shall be responsible for its own costs relating to the preparation of the Assignment Applications. Buyer and Seller agree to proceed expeditiously and with due diligence to use their best efforts to cooperate with each other in seeking the FCC’s approval of the transaction contemplated herewith (the “FCC Consents”). Buyer shall pay the FCC filing fees due in connection with the filing of the Assignment Applications. Seller shall cooperate with Buyer, at Buyer’s expense, in the preparation and filing of an application for a minor modification of the license of Station K268BT to specify operation and relocation to a transmission site designated by Buyer (the “Modification Application”), which application will be filed as soon as practicable after the date hereof. Buyer shall pay all FCC filing fees due in connection with the filing of the Modification Application.

2.2 Closing. Within ten (10) business days after the FCC Consent for the St. George Application, in an FCC public notice has become a final order, the parties shall consummate the transaction contemplated by this Agreement with regard to K226BQ and K242BV at a closing (the “St. George Closing”). At the St. George Closing, Seller shall deliver to Buyer a Bill of Sale, an Assignment of FCC Licenses, and any other documents of conveyance reasonably requested by Buyer and necessary to consummate transaction contemplated by this Agreement with respect to K226BQ and K244BV. Likewise, within ten (10) business days after the FCC Consent for the Shivwits Application, in an FCC public notice has become a final order, the parties shall consummate the transaction contemplated by this Agreement with regard to K268BT at a closing (the “Shivwits Closing”). At the Shivwits Closing, Seller shall deliver to Buyer a Bill of Sale, an Assignment of FCC Licenses, and any other documents of conveyance

reasonably requested by Buyer and necessary to consummate transaction contemplated by this Agreement with respect to K268BT. For purposes of this Agreement, FCC Consent shall be deemed a "final order" when the time for filing appeals, petitions for reconsideration or review, or other challenges to the FCC Consent has passed, and no such challenges have been filed. Buyer may elect to proceed with the St. George Closing or Shivwits Closing after issuance of FCC Consent but prior to finality, and Seller shall cooperate with Buyer if the St. George Closing or Shivwits Closing is accelerated. The St. George Closing and the Shivwits Closing are each a "Closing" and collectively, the "Closings."

2.3 Conditions Precedent to Closings. The parties acknowledge and agree that the FCC Consent to the assignment of the FCC Licenses from Seller to Buyer is a condition precedent to the St. George Closing and Shivwits Closing, respectively. In addition, it shall be a condition precedent to Buyer's obligation to proceed to the Shivwits Closing that the FCC shall have granted the Modification Application.

2.4 Closings Independent. Seller and Buyer acknowledge that the St. George Closing and Shivwits Closing are independent of each other. If the St. George Application has been granted by the FCC and all other closing conditions have been satisfied with respect to the St. George translators, the St. George Closing will occur without regard to the status of the Shivwits Assignment Application or closing conditions with respect to the Shivwits translator.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES

3.1 Seller hereby makes the following representations and warranties to Buyer:

- (a) Seller has the full power and authority to enter into, execute, and consummate this Agreement.
- (b) Subject only to the FCC Consents, there is no constraint upon Seller's legal ability to perform its responsibilities hereunder.
- (c) There is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Seller.
- (d) Seller is the holder of the FCC Licenses, which are all of the licenses, permits and authorizations required for the present operation of the Stations. With respect to K268BT, the translator is currently off-the-air and grant of the Modification Application will be required in order to return that translator to on-the-air operation. If necessary, Seller agrees to file an STA request to remain off-the-air with respect to K268BT at Seller's sole cost and expense, provided, however, that if the STA request is necessary as the result of an unreasonable delay by Buyer in connection with the Modification Application, Buyer shall be responsible for the costs and expenses of preparation and filing such request.
- (e) Seller has not received any notice of any interference to any full-power station caused by any of the Stations.

(f) Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. The Tangible Personal Property is in compliance with all applicable laws and is in good and acceptable operating condition, and, subject to normal wear and tear, will be in the same condition at Closing.

(g) The instruments to be executed by Seller and delivered to Buyer at the Closing will transfer good and marketable title to the Station Assets free and clear of all Liens (other than Permitted Liens).

3.2 Buyer hereby makes the following representations and warranties to Seller:

(a) Buyer has the full power and authority to enter into, execute, and consummate this Agreement.

(b) Subject only to the FCC Consents, there is no constraint upon Buyer's legal ability to perform its responsibilities hereunder.

(c) There is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Buyer.

ARTICLE 4: SPECIFIC PERFORMANCE. Seller acknowledges and agrees that the Stations are unique assets, that Buyer would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by Seller could not be adequately compensated by monetary damages alone. Accordingly, in the event of a breach of this Agreement by Seller, Buyer shall be entitled a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement. Seller further agrees that it shall interpose no objection, including but not limited to interposing no claim that there is an adequate remedy at law or making any request for a bond or other security, to an entry of a decree of specific performance of the terms of this Agreement in favor of Buyer.

ARTICLE 5: TERMINATION.

5.1 Right of Termination Without Breach. This Agreement may be terminated without further liability of any party at any time prior to the Closing:

(a) by mutual written agreement of Buyer and Seller, or

(b) by either Buyer or Seller if the St. George Closing shall not have occurred on or before the date which is one (1) year from the date on which the St. George Application is filed with the FCC, provided the terminating party has not, through breach of a representation, warranty or covenant, prevented the St. George Closing from occurring on or before such date.

It shall not be a basis for termination of this Agreement by either party if the Shivwits Application is not approved by the FCC or if the Shivwits Closing becomes impossible due to expiration of the FCC License for K268BT.

5.2 Termination for Breach.

(a) Termination by Buyer. If (i) Seller has failed to cure any material violation or breach of any of its agreements, representations or warranties contained in this Agreement within fifteen (15) days after delivery of written notice of such violation or breach from Buyer, or (ii) there has been a failure of satisfaction of a condition to the obligations of Buyer which has not been waived by Buyer, Buyer may terminate this Agreement.

(b) Termination by Seller. If (i) Buyer has failed to cure any material violation or breach of any of its agreements, representations or warranties contained in this Agreement within fifteen (15) days after delivery of written notice of such violation or breach from Seller (except in the case of Buyer's breach for nonpayment of the Purchase Price on the date of Closing, in which case there shall be no cure period), or (ii) there has been a failure of satisfaction of a condition to the obligations of Seller which has not been waived by Seller.

ARTICLE 6: MISCELLANEOUS.

6.1 Notices. All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by overnight air courier service (charges prepaid), or personal delivery to the appropriate party at the address specified below (or to such other address which a party shall specify to the other party in writing):

If to Seller, to:

Patricia J. Young
2666 Promenade Circle
Salt Lake City, Utah 84121

If to Buyer, to:

Canyon Media Group, LLC
810 WEST 200 NORTH
Logan, Utah 84321
Attn: Kent Frandsen

6.2 Assignment and Binding Effect. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, except that Buyer may assign its rights and obligations under this Agreement without the prior consent of Seller to any business entity which owns and controls Buyer, which Buyer owns and controls or which is

owned and controlled by the family members of the principals who own and control Buyer, as long as Buyer remains liable for the performance of the assignee hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

6.3 Governing Law. Except to the extent governed by federal law, this Agreement shall be governed, construed and enforced in accordance with the laws of the State of Utah, without regard to the choice of law provisions thereof.

6.4 Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

6.5 Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior negotiation, memoranda and agreements between the parties with respect to the subject matter hereof, and may not be altered, changed, modified or amended except by a written instrument signed by each of the parties hereto.

6.6 Other and Further Documents. The parties hereto agree to execute, acknowledge and deliver, before, at or after the Closing, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement.

6.7 Expenses. Except as otherwise provided herein, each party shall be solely responsible for all fees and expenses each party incurs in connection with the transaction contemplated by this Agreement, including, without limitation, legal fees incurred in connection herewith.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Effective Date.

BUYER: CANYON MEDIA GROUP, LLC

By: 
Name: Kent Frandsen
Title: President

SELLER: _____
PATRICIA J. YOUNG

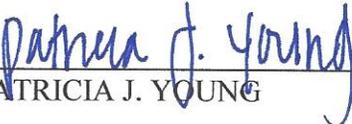
SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Effective Date.

BUYER: CANYON MEDIA GROUP, LLC

By: _____
Name: Kent Frandsen
Title: President

SELLER:



PATRICIA J. YOUNG

Exhibit A

Form of Promissory Note

PROMISSORY NOTE

\$144,000.00

Date: _____, 2014

FOR VALUE RECEIVED, the undersigned Canyon Media Group, LLC (“Maker”), hereby promises to pay to the order of Patricia J. Young (“Holder”) at 2666 Promenade Circle, Salt Lake City, Utah 84121 or at such other address specified in writing by Holder to Maker, in lawful money of the United States of America and in immediately available funds, the principal amount of ONE HUNDRED FORTY-FOUR THOUSAND DOLLARS and 00/100 (\$144,000.00).

This Promissory Note (this “Note”) is issued pursuant to an Asset Purchase Agreement, dated as of September 29, 2014, between Maker and Holder (as amended, the “Purchase Agreement”) relating to Maker's purchase from Holder of substantially all of the assets and licenses of FM translator stations K226BQ (FIN: 86757), K268BT (FIN: 157980), and K242BV (FIN: 158438) (collectively, the “Stations”), and is issued on the St. George Closing and/or Shivwits Closing, as applicable, as contemplated by the Purchase Agreement. Capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

The principal shall be repaid over a term of seventy-two (72) months and continuing until the principal has been fully repaid. Maker shall make 72 installments of principal in the amount of TWO THOUSAND DOLLARS and 00/100 (\$2,000.00) each month (the “Monthly Payments”) commencing on the date of Closing and continuing on the same date of each succeeding month during the remainder of the term of the Note until paid in full. If any payment date shall be due on a day that is not a regular business day, then payment shall be due on the next regular business day thereafter. Maker may prepay all or any portion of the principal of this Note from time to time without penalty.

This Note shall not accrue interest so long as Maker duly and faithfully pays the Monthly Payments in full on or before the date upon which they are due.

If any of the following events or conditions (each, an “Event of Default”) shall occur:

(a) Default by Maker in the payment of any installment of principal on this Note when the same becomes due and payable, which default continues uncured for a period of ten (10) business days after written notice of such default has been given by Holder to Maker;

(b) Maker shall make an assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation;

(c) There shall be filed against Maker any petition or application for relief under

any bankruptcy or similar law which is not discharged or dismissed within sixty (60) days after the filing of such petition or application;

(d) An agreement shall be signed for the sale or transfer of a controlling interest in Maker, or Maker shall enter into an agreement sell either: (i) the assets of any or all of the Stations, or (ii) substantially all of the other assets of Maker.

Then, and in any such event, Holder may at any time, by written notice to Maker, declare the entire amount of the all principal remaining unpaid on this Note due and payable, whereupon the same shall forthwith become due and payable. If an Event of Default occurs and Holder accelerates the payment as provided herein, then this Note shall thereafter bear interest on the unpaid principal and accrued interest at the rate of 10% per annum until the principal and interest is fully repaid. Interest shall be calculated on the basis of a year consisting of Three Hundred Sixty-Five (365) days for the actual number of days elapsed, including any time extended by reason of payments falling due on Saturdays, Sundays or legal holidays.

All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by overnight air courier service (charges prepaid), or personal delivery to the appropriate party at the address specified below (or at such other address for a party as shall be specified by like notice):

If to Holder, to:

Patricia J. Young
2666 Promenade Circle
Salt Lake City, Utah 84121

If to Maker, to:

Canyon Media Group, LLC
810 WEST 200 NORTH
Logan, Utah 84321
Attn: Kent Frandsen

This Note is secured by that certain Security Agreement of even date herewith executed by Maker in favor of the Holder, and by a first priority security interest in the collateral as defined therein (the "Collateral"), and upon the occurrence of an Event of Default the Holder may exercise all rights and remedies set forth in such Security Agreement.

This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. This Note shall be governed by the laws of the State of Utah. Maker hereby waives presentment, demand for payment, notice of dishonor and any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note. This Note shall inure to the benefit of Holder and her successors, assigns and legal representatives.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first above written.

Maker:

CANYON MEDIA GROUP, LLC

By: Kent Frandsen
Title: President

Exhibit B

Form of Security Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of _____, 2014, is by and between CANYON MEDIA GROUP, LLC, a Utah limited liability company (“Debtor”), and PATRICIA J. YOUNG, an individual (“Secured Party”).

Concurrently herewith, and in accordance with that certain Asset Purchase Agreement, dated as of September 29, 2014, (as subsequently amended, the “Purchase Agreement”), entered into by and between Debtor and Secured Party pursuant to which Debtor agreed to purchase from Secured Party substantially all of the assets and licenses used in the operation of FM translator stations K226BQ, 93.1 MHz, St. George, Utah (FCC Facility ID 86757), K268BT, 101.5 MHz, Shivwits, Utah (FCC Facility ID 157980), and K242BV, 96.3 MHz, St. George, Utah (FCC Facility ID 158438) (collectively, the “Stations”), Secured Party is lending an aggregate principal amount of One Hundred Forty-Four Thousand Dollars (\$144,000) to the Debtor thereon, which is evidenced by a certain Promissory Note of even date herewith in favor of the Secured Party (the “Note”) executed in connection with the Purchase Agreement and delivered to Secured Party.

In order to secure repayment of the Note and any other amounts due and owing to Secured Party thereunder, including all costs and expenses incurred with respect to the collection of the Note or the enforcement of the Note (the “Obligations”), Debtor has agreed to grant a security interest to Secured Party in certain assets of Debtor described below.

All capitalized terms, unless otherwise defined herein, shall have the meanings set forth in the Note.

SECTION 1. Security.

(a) As security for the payment of the Obligations, Debtor hereby grants to Secured Party a continuing security interest in the Collateral set forth in Schedule 1.

(b) Debtor irrevocably appoints Secured Party as its lawful attorney-in-fact and agent for the limited purpose of executing, on its behalf, financing statements and any assignment documents and to file on its behalf appropriate financing statements.

SECTION 2. Covenants of Debtor.

Debtor hereby covenants that:

(a) Debtor will defend the Collateral against any claims and demands of all other persons at any time claiming the same or an interest therein which would conflict with any claim or interest of Secured Party. Debtor will maintain the tangible property included within the Collateral in good operating condition and repair, and use it only in connection with the operation of the Stations unless disposed of in the ordinary course of business and replaced with equipment of substantially equivalent value. Debtor will not encumber, sell, assign, transfer, abandon or otherwise dispose of the Collateral except for: (i) sale or transfer of Inventory, and cancellation of Insurance in the ordinary course of business, (ii) liens arising from taxes, assessments, charges, levies or claims that are not yet due or that remain payable without penalty or which are being contested in good faith by appropriate proceedings, (iii) liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and so long as execution is stayed on all judgments resulting from any such proceedings, (iv) liens created by this Security Agreement, (v) dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business, and (vi) trade-ins, replacements or exchanges of items of Equipment for other items of Equipment having an equal or greater value (in excess of any purchase money liens on such items) and useful in Debtor's business.

(b) Upon reasonable advance notice to Debtor, Secured Party may examine and inspect the Collateral owned by Debtor at any reasonable time and at any reasonable place, wherever located.

(c) Debtor will pay promptly when due all taxes and assessments upon the Collateral owned by Debtor or upon its use or sale unless such taxes or assessments are being contested in good faith by Debtor. At its option, Secured Party may discharge taxes, liens or other encumbrances at any time levied against or placed on the Collateral which have not been stayed as to execution and contested with due diligence in appropriate legal proceedings. Debtor shall reimburse Secured Party on demand for any such expense incurred by Secured Party pursuant to the foregoing authorization.

(d) Debtor will from time to time upon demand furnish to Secured Party such further information and will execute and deliver to Secured Party such financing statements and assignments and other papers and will do all such acts and things as may be necessary or appropriate to establish, perfect and maintain a valid security interest in the Collateral as security for the Obligations, and Debtor hereby authorizes Secured Party to execute and file at any time and from time to time one or more financing statements or copies thereof or of this Security Agreement with respect to the Collateral signed only by Secured Party.

SECTION 3. Events of Default.

(a) Debtor shall be in default under this Agreement if an “Event of Default” shall occur under the Note and upon Secured Party’s acceleration of such Note.

(b) Upon the occurrence of an Event of Default, Secured Party shall have all of the rights, powers and remedies set forth in the Note and this Agreement, together with the rights and remedies of a secured party under the applicable Uniform Commercial Code, including without limitation the right to sell, lease or otherwise dispose of any or all of the Collateral and to take possession of the Collateral. Secured Party may require Debtor to assemble its Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor hereby agrees that its address and the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send to Debtor reasonable advance notice of the time and place of any public sale or reasonable advance notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable advance notice shall be met if such notice is mailed, postage prepaid, to Debtor at least ten (10) days before the time of the sale or disposition. After deducting all expenses incurred by Secured Party in protecting or enforcing its rights in the Collateral, the residue of any proceeds of collection or sale of the Collateral shall be applied to the payment of principal, first, and then interest of Debtor's Obligations, and Debtor shall remain, liable for any deficiency.

(c) Upon the occurrence and continuing existence of an Event of Default, Secured Party shall have the right to require that Debtor join with the successful bidder or other purchaser at a foreclosure sale regarding the Collateral in seeking from the FCC all applicable prior approvals of the assignment of the Stations’ Federal Communications Commission (“*FCC*”) authorizations to such bidder or other purchaser. In that regard, Debtor agrees to execute and deliver all applications, certificates, instruments, assignments and other documents and papers that may be required to obtain any necessary FCC consent, approval or authorization. It is expressly understood that such sale shall be subject to all applicable consents and prior approvals of the FCC.

SECTION 4. Collection.

Upon the occurrence of an Event of Default pursuant to Section 3(a) hereof, Secured Party shall have the following rights and powers in addition to those specified in Section 3 above:

(a) Secured Party shall have the right to notify the contract obligors obligated on any or all of Debtor's Insurance to make payment thereof directly to Secured Party, and Secured Party may take control of all proceeds of any of the Insurance or General Intangibles.

(b) Debtor hereby irrevocably appoints Secured Party to be Debtor's true and lawful attorney-in-fact, with full power of substitution, in Secured Party's name or Debtor's name or otherwise for Secured Party's sole use and benefit, but at Debtor's cost and expense, to exercise at any time after the occurrence and continuing existence of an Event of Default pursuant to Section 3(a), but subject to the provisions of Section 8 hereof, the power to sell, transfer, assign or otherwise deal in or with the same or the proceeds thereof and to apply for and obtain any required consents of any governmental authority for any such sale or other disposition, as full and effectually as if Secured Party were the absolute owner thereof.

(c) In the event of a sale of the Collateral as provided for herein, Debtor will without compensation cooperate with the purchaser of the Collateral in promptly preparing and filing and diligently prosecuting all necessary applications before the FCC for the assignment of the Stations' FCC authorizations to the purchaser of the Collateral, it being acknowledged and agreed that the FCC authorizations are a material part of the Stations in the absence of which the value of the Collateral would be significantly reduced. In the case of Debtor's non-performance or breach of the obligations contained in this Agreement, Debtor shall be subject to a decree of specific performance in addition to a judgment for money damages. The Secured Party shall be entitled to seek the appointment of a receiver or other person selected by the Secured Party or any court of competent jurisdiction, acting individually or through the use of one or more employees, agents, contractors or other parties (collectively, a "Receiver"), and the Receiver shall have the authority, to take possession of, operate, manage, repair, improve and otherwise generally deal with, and to sell, exchange, dispose of or otherwise transfer, all or any part of the Collateral, including an offering for sale of the Station's FCC authorizations and seeking FCC consent for such sale, and including, without limitation, that Collateral which is used or is usable in connection with or which otherwise relates to the Stations or other broadcast rights, in each case to the extent so directed by the Secured Party or such court, as the case may be, and in each case to the extent not inconsistent with, and subject to such approvals as may be required under, applicable laws, rules and regulations, including, without limitation, those of the FCC. The Debtor further agrees that any such sale, exchange, disposition or other transfer of all or any part of the Collateral by or on behalf of a Receiver pursuant to any court approved sale, exchange, disposition or other transfer, shall constitute a commercially reasonable sale thereof for purposes of the Code and other applicable law, and the same shall be the case notwithstanding that the sale, exchange, disposition or other transfer of a portion of the Collateral included in any such sale, exchange, disposition or other transfer is not subject to FCC or other governmental approval. The Debtor agrees to reimburse the Receiver for, and indemnifies the Receiver from and against, all liabilities, damages, losses, expenses and other liabilities of any nature whatsoever reasonably incurred or suffered by the Receiver in connection with any activities contemplated by this subsection or otherwise authorized by any court of competent jurisdiction in connection with the enforcement of any of the Secured Party's rights or remedies under this Agreement or applicable law.

SECTION 5. Limitations.

With respect both to Obligations and Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of Collateral not in Secured Party's possession, and Secured Party's duty with reference to Collateral in its possession shall be to use reasonable care in the custody and preservation of such Collateral, but such duty shall not require Secured Party to engage in the collection of income thereon, the collection of debt or the taking of steps necessary to preserve rights against prior parties, although Secured Party is authorized to reasonably undertake any such action if deemed appropriate by Secured Party.

SECTION 6. Successors and Assigns.

The covenants, representations, warranties and agreements herein set forth shall be binding upon Debtor, its legal representatives, successors and assigns, as joint and several obligations, and shall inure to the benefit of Secured Party, its successors and assigns. Secured Party may assign this Security Agreement to a valid assignee of the Note without the consent of Debtor.

SECTION 7. Miscellaneous.

(a) No delay or omission by Secured Party in exercising any of its rights hereunder shall be deemed to constitute a waiver thereof. All rights and remedies of Secured Party hereunder shall be cumulative and may be exercised singularly or concurrently.

(b) This Agreement shall be governed by and construed under the laws of the State of Utah, without regard to its principles of conflict of laws. None of the terms or provisions of this Agreement may be waived, altered, modified, or amended except by an agreement in writing signed by Secured Party and Debtor.

(c) All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by overnight air courier service (charges prepaid), or personal delivery to the appropriate party at the address specified below (or to such other address which a party shall specify to the other party in writing):

If to the Holder, to:

Patricia J. Young
2666 Promenade Circle
Salt Lake City, Utah 84121

If to Maker, to:

Canyon Media Group, LLC
810 WEST 200 NORTH
Logan, Utah 84321
Attention: Kent Frandsen

SECTION 8. FCC Approval.

Notwithstanding anything to the contrary contained herein, any foreclosure on, sale, transfer or other disposition of any Collateral or any other action taken or proposed to be taken hereunder that would affect the operational, voting, or other control of Debtor or affect the ownership of the FCC authorizations, shall be pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “*Communications Act*”), and to the applicable rules and regulations of the FCC and, if and to the extent required thereby, subject to the prior consent to the FCC and any other applicable governmental authority. Notwithstanding anything to the contrary contained herein, Secured Party will not take any action pursuant hereto that would constitute or result in any assignment of the FCC Licenses if such assignment of license would require under then existing law (including the Communications Act), the prior approval of the FCC, without first obtaining such approval of the FCC and notifying the FCC of the consummation of such assignment (to the extent required to do so).

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be executed by their duly authorized officers as of the date and year first above written.

CANYON MEDIA GROUP, LLC

By: _____

Name: Kent Frandsen

Title: President

PATRICIA J. YOUNG

[SIGNATURE PAGE TO SECURITY AGREEMENT]

SCHEDULE 1

The following Equipment, Inventory, General Intangibles, Governmental Authorizations, Accounts, Transmitter Site Lease, Real Property and Insurance which are primarily used or held for use in the ownership and operation of the FM translator stations K226BQ, 93.1 MHz, St. George, Utah (FCC Facility ID 86757), K268BT, 101.5 MHz, Shivwits, Utah (FCC Facility ID 157980), and K242BV, 96.3 MHz, St. George, Utah (FCC Facility ID 158438) (collectively, the "Stations") are collectively referred to as the "Collateral":

(a) All furniture, fixtures, equipment, inventory, books and records, programming, music libraries, computer hardware and software, auxiliary and translator facilities, transmitting towers, transmitters, antennas, antenna line and other electronic equipment and parts, supplies, and other tangible and intangible personal property of Debtor, now owned or property hereafter acquired, located within the 54 dBu coverage area relating to the ownership and operation of the Stations ("Market Area") as well as any replacements for such property and the proceeds or products from the sale of such property (the "Equipment");

(b) All of the Debtor's inventory, merchandise and goods in all forms, used solely in connection with the operation of the Stations, whether now existing or hereafter acquired, and the proceeds and products thereof (but excluding any inventory, merchandise and goods which are also used in connection with Debtor's ownership and operation of its other broadcast stations and facilities) (the "Inventory");

(c) All of Debtor's presently existing and hereafter acquired or arising general intangibles and other intangible personal property used solely in the operation of the Stations (the "General Intangibles");

(d) To the extent permitted by law, any and all construction permits, licenses, and authorizations issued or granted to Debtor by the FCC or any other governmental entity used in connection with the operation of the Station and any auxiliary or translator broadcast or other facility associated with the Station, including successor variants of any call sign for the foregoing. The parties recognize that as of the date of this Agreement, it is generally acknowledged that the Communications Act of 1934, as amended, and the rules and regulations of the FCC, do not permit a security interest to extend to a radio station's FCC construction permits, licenses, and authorizations; however, they also recognize that courts have held that security interests are permitted to extend to the proceeds of the sale, transfer, or other disposition of such FCC construction permits, licenses, and authorizations, and the parties agree that if this security interest continues not to be permitted to include Debtor's FCC construction permits, licenses, and authorizations, that the security interest shall extend to the proceeds of the sale, transfer, or other disposition of such FCC construction permits, licenses, and authorizations. If the law in this regard is subsequently changed, in whole or in part, then

all of the right, title, and interest of Debtor in and to any FCC construction permits, licenses, and authorizations, whether now held or hereafter acquired but related to the Station, shall automatically and immediately become subject to the Secured Party's security interest to the maximum extent permitted by law as then in force and effect (the "Governmental Authorizations");

(e) All of Debtor's funds located in "accounts", as that term is defined in Article 9 of the Uniform Commercial Code, now existing or hereafter arising solely in the operation of the Stations (the "Accounts");

(f) All of Debtor's rights under any lease for real property used for the tower site or transmission facilities for the Stations (the "Transmitter Site Lease");

(g) All other rights to any real property now existing or hereafter acquired or leased which is used for the tower site or transmission facilities for the Stations (the "Real Property"); and

(h) All insurance policies held by the Debtor or naming the Debtor as loss payee (or naming Debtor as an additional insured as its interest may appear) relating to the operation of the Stations, including without limitation, casualty insurance and property insurance, and the proceeds thereof (the "Insurance").

Notwithstanding anything contained herein to the contrary, as used herein the term "Collateral" does not include any tangible or intangible property of Debtor which is also used in connection with Debtor's ownership and operation of its other broadcast stations and facilities (other than the Stations).

Except for indebtedness of the repayment of the Note, interest payable, and any other amounts due and owing to Secured Party thereunder, including all costs and expenses incurred with respect to the collection of the Note or the enforcement of the Note, the Obligations do not include, and this Security Agreement does not secure, any liability, obligation or indebtedness of Debtor to Secured Party, whether now existing or hereafter arising and howsoever evidenced.