

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (“Agreement”) is entered into this 15th day of October, 2019, by and between AGPAL BROADCASTING, INC., an Oregon corporation (“Seller”) and XANA OREGON, LLC, a Washington Limited Liability Company (“Buyer”). The parties hereto shall be known as the Parties.

WITNESSETH

WHEREAS, Seller is the licensee of the following radio broadcast Stations (the “Stations”):

- (a) KPPT-FM, Depoe Bay, Oregon: Facility ID# 642; and
- (b) KCUP-AM, Toledo, Oregon: Facility ID# 645.

WHEREAS, Buyer desires to purchase certain of the assets, tangible and intangible, used and useful in the operation of the Stations (the “Purchased Assets”) described in Exhibit 1(a) attached hereto and incorporated herein by reference, and Seller desires to sell, assign and transfer same to Buyer;

WHEREAS, Seller does not sell or assign those “Excluded Assets” described in Exhibit 1(b) attached hereto and incorporated herein by reference;

WHEREAS, Buyer will not assume Liabilities of Seller as described in Exhibit 1(c) attached hereto and incorporated herein by reference; and

WHEREAS, Seller and Buyer will not consummate this Agreement and the FCC Licenses shall not be transferred or assigned until after the Federal Communications Commission (“FCC” or “Commission”) has granted its consent and approval to an assignment of the FCC License.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties, intending to be legally bound agree as follows:

1. Purchase Price and Payment: The Purchase Price to be paid by Buyer to Seller for the Purchased Assets shall be One Hundred Fifty-Five Thousand Dollars (\$155,000.00) as follows:

(a) Concurrent with the mutual execution of this Agreement and the filing of the Assignment Application with the FCC, Buyer shall deliver an Escrow Deposit in the amount of Twenty Thousand Dollars (\$20,000.00) with Hawkins Law, PLLC, Walla Walla, Washington (as “Escrow Agent”), and in conjunction with the preparation and execution of this Agreement, the Parties have executed the Escrow Agreement attached hereto at Exhibit 2.

(b) Upon joint written instructions, on the Closing Date, the Escrow Deposit shall be released as directed by Seller via wire transfer or cashier’s check. The principal shall not accrue interest. Costs associated with the generation of the cashier’s check or the cost of the wiring shall be borne by the Party to receive such payment.

(c) On the Closing Date, Buyer shall deliver as directed by Seller the remaining amount of One Hundred Thirty-Five Thousand Dollars (\$135,000.00) via wire transfer or cashier's check.

2. Purchase Price Allocation: The Purchase Price shall be paid and allocated as stipulated in Exhibit 3 attached hereto and incorporated herein by reference.

3. Local Marketing Agreement: The Parties have agreed to enter into a Local Marketing Agreement (the "LMA"), a copy of which is attached hereto as Exhibit 4.

4. Closing: The Parties agree that this transaction shall consummate (the "Closing") within five (5) business days of FCC grant of the Assignment Application provided the grant has become a Final Order (the "Closing Date") or, upon the Parties' mutual consent to waive the condition that the FCC Consent shall become a final order, in a method and at a place and time mutually agreeable to the Parties.

5. Representations and Warranties of Seller. Seller represents and warrants to Buyer that:

(a) Organization and Standing. Seller was an Oregon corporation, formed on December 8, 1980, and was administratively dissolved on February 8, 2013. Pursuant to ORS 60.651(3), Seller has authority to wind up the affairs of the Company, including authority to consummate this transaction.

(b) Authorization. All necessary action to approve the execution, delivery, and performance of this Agreement and the consummation of the transaction represented herein has been taken by Seller, and this Agreement constitutes a valid and binding agreement of Seller enforceable in accordance with its terms.

(c) Licenses. From the Date hereof through the Closing Date, Seller is and will be the holder of the FCC Licenses listed in Exhibit 1, attached hereto. The FCC Licenses constitute all of the authorization required for and/or used in the operation of the Stations as currently operated, and the FCC Licenses are now and, on the Closing will be in full force and effect.

(d) FCC Actions. Seller has received no notice and has no knowledge of any pending, issued, or outstanding order by or before the FCC, or threatened, any investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability, Notice of Forfeiture, or material complaint against the Stations or Seller. In the event of the occurrence of any such action, or the filing or issuance of any such order, notice, or material complaint, or Seller's learning of the threat thereof, Seller shall notify Buyer of same in writing within five (5) business days of such event and shall take all reasonable measures to contest in good faith or seek removal or rescission of such action, order, notice, or complaint.

(f) Personal Property. Seller now has, or on the Closing Date shall have, good, valid, and marketable title to the Tangible Personal Property free and clear of all mortgages, liens, charges, claims, pledges, security interests, and encumbrances whatsoever.

(g) Operations. From the date hereof until the Closing Date, the Stations will be operated and maintained in compliance with all requirements of the Communications Act of 1934, as amended, and the rules, regulations, policies, and procedures of the Commission. All

maintenance performed with respect to the operation of the Stations and to any property related to the Stations has been done in a proper and workmanlike manner.

(h) Personnel. Seller has made no representation to any of the Stations' employees concerning employment by Buyer post-Closing. Any decision by Buyer to employ any Station employees on or after Closing shall be made in its sole discretion absent any representation or warranty as to the qualifications of such employee by Seller. In no event shall Buyer be obligated to employ, hire, or engage any of Seller's employees or independent contractors. Such employment or engagement, if any, shall be exclusively within the sole discretion of Buyer. Any of Seller's employees hired by Buyer shall be deemed to have been terminated by Seller and newly hired by Buyer, such that Buyer shall not be obligated for any liability incurred to such employee during his or her term of employment by Seller. Seller shall be solely responsible for all benefits accrued to its employees prior to the date of its employees' termination by Seller.

6. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that:

(a) Organization and Standing. Buyer is now and upon the Closing Date shall be a Limited Liability Company duly formed, validly existing, and in good standing under the laws of the State of Washington and licensed to do business in the State of Oregon.

(b) Authorization. All necessary action to approve the execution, delivery, and performance of this Agreement and the consummation of the transaction represented herein has been taken by Buyer, and this Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms.

(c) Absence of Restrictions. No un-waived contract, agreement, or other instrument or condition exists or on the Closing Date will exist which restricts, limits, or in any manner affects any aspect of this Agreement or the transaction contemplated hereby. The execution, delivery, and performance of this Agreement and the transaction contemplated hereby by Buyer do not, and will not at Closing Date, conflict with or result in the termination or breach of any terms, condition, or provisions of, or constitute a default under any contract, lease, agreement, or other instrument or condition by which Buyer is bound.

(d) Buyer's Qualifications. Buyer knows of no reason, circumstance, or condition existing, or reasonably to be anticipated, which would result in a finding by the FCC that it is not qualified legally, financially, or otherwise to be the licensee of the Stations, and Buyer will not take any action to permit any condition to exist which would disqualify Buyer from becoming such a licensee.

7. Termination.

(a) In the event this transaction does not close within six (6) months from the date of acceptance for filing of the Assignment Application, either Buyer or Seller may at its option, give notice of termination of this Purchase Agreement to the other, provided the terminating Party is not in material breach or default under the Purchase Agreement. If Buyer is not in material breach or default, the amount of the Escrow Deposit shall be returned to Buyer upon written demand without any further liability of either Party to the other.

(b) In the event of a material breach by Buyer of any term or condition of this Agreement or any representation or warranty contained herein which would render Buyer unable to perform its obligations under this Agreement, and the continuance of said breach without cure for a period of twenty (20) calendar days following written notice by Seller to Buyer, Seller may in its discretion terminate this Agreement without cost, penalty, or liability of any kind upon written notice to Buyer, subject to Seller's right of Liquidated Damages pursuant to Section 7(d)(ii) hereinbelow;

(c) In the event of a material breach by Seller prior to the Closing Date of any term or condition of this Purchase Agreement or any representation or warranty contained herein, and the continuance of said breach without cure for a period of twenty (20) calendar days following written notice by Buyer to Seller, Buyer may in its discretion terminate this Purchase Agreement without cost, penalty, or liability of any kind upon written notice to Seller, subject to Buyer's right of specific performance pursuant to Section 7(d)(i) hereinbelow.

(d) Because the Purchased Assets to be transferred pursuant to the terms of this Purchase Agreement are unique and not readily available on the open market, either Party would be seriously damaged should the transaction represented herein not be consummated through no fault of its own but for reasons attributable to the offending Party.

(i) In the event of a default or breach of the terms of this Agreement by Seller, Buyer shall have the right to enforce the terms of this Agreement by a decree of specific performance. This right shall not be exclusive of rights at law for damages to include without limitation the expenses associated with the transaction contemplated herein.

(ii) In the event of a default or breach of the terms of this Agreement by Buyer, Seller's sole and exclusive remedy shall be its right to retain the Escrow Deposit as Liquidated Damages.

8. Risk of Loss. The risk of loss or damage to any of the Purchased Assets from fire, windstorm, casualty, liability, vandalism, burglary, or flood, or other causes whatsoever shall be upon Seller at all times prior to the Closing and it shall be the responsibility of Seller to repair or cause to be repaired and to restore the Purchased Assets to their condition prior to any such loss or damages. In the event of any such loss or damages, Seller shall notify Buyer of same in writing within two (2) business days, specifying with particularity the loss or damage incurred, the cause thereof, if known or reasonably ascertainable, and the insurance coverage. The proceeds of any claim for any loss payable under any insurance policy with respect thereto shall be used to repair, replace, or restore any such Assets to their former condition.

9. Indemnification by Seller. Seller agrees that it shall indemnify and hold Buyer harmless from and against (a) any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorney's fees and disbursements suffered, directly or indirectly, by Buyer by reason of, or arising out of any breach of representation or warranty made by Seller pursuant to this Agreement or any action or lack thereof by Seller prior to the execution of this Agreement, (b) any failure by Seller to perform or fulfill any of its covenants or agreements set forth in this Agreement, (c) any failure by Seller to pay or perform when due any of the Retained Liabilities, or (d) any litigation, proceeding or claim by any third party relating to the business or operations of the Stations prior to the Closing Date.

10. Indemnification by Buyer. Buyer agrees that it shall indemnify and hold Seller harmless from and against (a) any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorney's fees and disbursements suffered, directly or indirectly, by Seller by reason of, or arising out of any breach of representation or warranty made by Buyer pursuant to this Agreement or any action or lack thereof by Buyer prior to the execution of this Agreement, (b) any failure by Buyer to perform or fulfill any of its covenants or agreements set forth in this Agreement, or (c) any litigation, proceeding or claim by any third party relating to the business or operations of the Stations after the Closing Date.

11. Bulk Sales Law. The Parties agree that no bulk sales or financial conveyance statute applies to the transactions contemplated by this Agreement. Buyer therefore waives compliance by Seller with the requirements of any such statutes, and Seller agrees to indemnify and hold Buyer harmless against any claim made against Buyer by any creditor of Seller as a result of a failure to comply with any such statute.

12. Seller's Performance at Closing. On the Closing Date at the Closing Place, Seller shall execute and deliver or cause to be delivered to Buyer, in form and substance reasonably satisfactory to Buyer and its counsel the following items, the delivery of which shall also be considered conditions precedent to Close:

(a) A Bill of Sale conveying to Buyer all of the Tangible Personal Property to be acquired by Buyer hereunder;

(b) One or more assignments assigning to Buyer the FCC Licenses to be acquired by Buyer hereunder;

(c) An assignment assigning to Buyer the contracts, leases, and agreements set forth on Exhibit 5 hereto to be assigned to Buyer hereunder together with necessary consents thereto and the original copies of said contracts, leases, agreements, and consents;

(d) A certificate of Seller stating:

(i) That all representations, warranties, and covenants of Seller as set forth in this Agreement and in the other instruments delivered by Seller are true and correct as of the Closing Date;

(ii) Seller has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Seller at or prior to the Closing Date; and

(iii) The FCC has granted its consent and approval to the Assignment Application and to the transaction represented herein;

(e) Certified copies of resolutions approved by the Seller authorizing and approving the execution, delivery, and performance of this Purchase Agreement and the transactions contemplated hereby; and

(f) Such other assignments, bills of sale, or instruments of conveyance, certificates of officers, and other documents as reasonably may be requested by Buyer to consummate this Agreement and the transaction contemplated hereby;

13. Buyer's Performance at Closing. On the Closing Date at the Closing Place, Buyer shall execute and deliver or cause to be delivered to Seller, in form and substance reasonably satisfactory to Seller and its counsel the following items, the delivery of which shall also be considered conditions precedent to Close:

(a) The Purchase Price as set forth in Section 1.

(b) A certificate of Buyer stating:

(i) That all representations and warranties of Buyer as set forth in this Agreement or in any statement, certificate, exhibit or other document delivered pursuant to this Agreement by Buyer are true and correct in all material respects as of the Closing Date; and

(ii) Buyer has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Buyer at or prior to the Closing Date;

(c) Certified copies of resolutions approved by the Buyer authorizing and approving the execution, delivery, and performance of this Purchase Agreement and the transactions contemplated hereby; and

(d) Such other documents as reasonably may be requested by Seller to consummate this Purchase Agreement and the transaction contemplated hereby.

14. Survival of Covenants, Representations and Warranties. All representations, warranties, covenants, and agreements contained in this Agreement shall survive the Closing Date.

15. Fees and Expenses.

(a) Each Party shall be solely responsible for all costs and expenses (including legal, accounting and other professional fees and expenses) incurred by it in connection with the negotiation, preparation, execution and performance of and compliance with the terms of this Agreement. All other governmental fees and charges applicable to any requests for FCC Consent shall be paid by the Party upon whom the applicable governmental authority imposes the fee or charge. The Filing Fee associated with the Assignment Application shall be shared equally between the Parties. Concurrent with the filing of the Assignment Application, Buyer shall pay the required filing fee and Buyer will be credited with Seller's one-half (1/2) of the filing fee at Closing.

(b) The Parties hereto hereby represent and warrant to one another that there has been no finder, broker, or consultant involved in the negotiations leading up to the execution of this Agreement other than MCH Enterprises, Inc., who has acted as broker for the Parties in this transaction. The Parties agree that Buyer will be solely responsible for the broker's compensation. The Parties agree to jointly and individually hold MCH Enterprises, Inc.,

harmless for any act of default or breach of the terms of this Agreement which may occur by the actions of the Parties.

16. Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Purchase Agreement shall be in writing and shall be deemed duly given when given personally or mailed by registered or certified mail, return receipt requested, postage prepaid, or transmitted by facsimile, as follows:

(a) If to Seller:

Agpal Broadcasting, Inc.
c/o Mr. Paul McAnally
P.O. Box 456
Newport, Oregon 97365
(541) 265-5000
Email: paulmac665@hotmail.com

(b) If to Buyer:

Mr. Tom Hodgins, Member
Xana Oregon, LLC
45 Campbell Rd.
Walla Walla, WA 99362
(509) 527-1000
Email: tomh@kujam.com

or any such other addresses as the Parties may from time to time designate in writing.

17. Assignability. This Agreement cannot be assigned without approval from the non-requesting party, such consent not to be unreasonably withheld or delayed, except that Buyer can, without Seller's approval, assign its rights and interests hereunder to a corporation in which Thomas D. Hodgins holds no less than fifty percent (50%) of the issued voting stock or membership units and provided that Buyer guarantee performance of this Agreement.

18. Confidentiality. The Parties agree to use their best efforts to keep confidential any and all information furnished to either of them by a Party in the course of the negotiations and the business, technical, and legal reviews, except such information as may be available to the public or to the other Party from another source not under an obligation of confidentiality.

19. Other Documents. The Parties shall execute and deliver on a timely basis all such further and additional documents as shall be convenient, necessary, or desirable to the implementation and consummation of this Agreement.

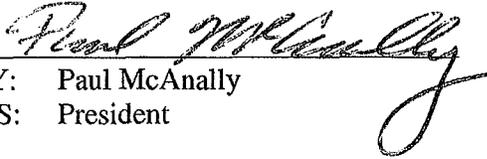
20. Waiver. No waiver by a Party of any provision of this Agreement shall be considered a waiver of any other provision of any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by a Party of any remedy provided in this Agreement or at law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or at law.

21. Exhibits. All exhibits attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth therein.
22. Governing Law. To the extent not governed by federal law, this Escrow Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Oregon without reference to its principles of conflicts of law. All disputes and controversies arising out of or in connection with this Agreement shall be resolved exclusively by the state and federal courts located in the County of Lincoln in the State of Oregon, and each Party hereto agrees to submit to the jurisdiction of said courts and agrees that venue shall lie exclusively with such courts.
23. Entire Agreement. This Agreement (including the attached exhibits) shall constitute the full and entire understanding of the Parties with respect to the subject matter hereof, and any prior agreement or understanding concerning the same is hereby terminated and canceled in its entirety and is of no further force and effect.
24. Binding Effect. This Purchase Agreement is binding upon and shall inure to the benefit of the Parties hereto, their respective agents, representatives, officers, directors, shareholders, affiliates, assigns, heirs, and successors in interest.
25. [Intentionally Deleted]
26. Warranty of Signatories. Each of the persons signing this Agreement on behalf of an entity warrants and represents that he has the right power, legal capacity and authority to execute this Agreement on behalf of such entity, without the concurrence or approval of any other person, any entity or any Court, and to thereby bind such entity to this Agreement.
27. Headings. The headings of the Sections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit, or describe the scope of this Agreement or the intent of any Section hereof.
28. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.
29. Amendments. This Agreement may be amended by mutual consent of the Parties, but only by a written instrument duly signed by the Parties to the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Purchase Agreement on the day and year first above written.

SELLER
AGPAL BROADCASTING, INC.


BY: Paul McAnally
ITS: President

BUYER
XANA OREGON, LLC

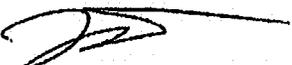
BY: _____
Thomas D. Hodgins, Member

IN WITNESS WHEREOF, the Parties hereto have executed this Purchase Agreement on the day and year first above written.

SELLER
AGPAL BROADCASTING, INC.

BY: Paul McAnally
ITS: President

BUYER
XANA OREGON, LLC

BY: 

Thomas D. Hodgins, Member

EXHIBIT 1(a)
PURCHASED ASSETS

Purchased Assets in existence as of the date hereof and at Closing, but not specifically itemized herein and not specifically excluded in Exhibit 1(b) shall be considered to be included in the Tangible Personal Property by default and shall be conveyed by Seller to Buyer by appropriate assignment or Bill of Sale as the case may be upon consummation and Closing.

A. Tangible Personal Property:

KCUP AM TRANSMITTER SITE

- 1-200 Foot Windcharger Tower with guys
- 1-Phasetek antenna tuning unit with 1310 KHz trap
- 1-Broadcast Electronics AM1A transmitter
- 1-CRL Spectral Energy Compressor
- 1-CRL Peak Modulation Controller
- 1-6.5-foot equipment rack
- 1-Sine Systems Remote Control
- 2-Fire Extinguishers
- 2-Wall Air Conditioning units
- 1-Frame construction building 5X7 inside
- 300 feet of 7/8 inch feed line

KPPT-FM TRANSMITTER SITE

- 1- 5 Bay Jampro Penetrator FM Antenna
- 80 feet of 3-1/8-inch Feed Line
- 1-Scala Mini-Flector 950 MHz receive antenna
- 100 feet 7/8-inch Feed Line
- 1-4-foot Harris Solid 5.6 GHz microwave dish
- 150 feet of 1/2 Inch Feed Line
- 1-LEA Line surge Protector
- 1-Harris Z-16 HD+Analog FM Transmitter
- 1-Harris Power Supply and Rack
- 1-Harris HDXFM Flexstar Digital Exciter
- 1-Harris Intraplex HD Digital program link
- 1-Energy Onix STL 950 MHz STL Receiver
- 1-Energy Onix FM Exciter
- 1-Harris 5.8 GHz Receiver/Transmitter
- 1-Belkin Surge Protector
- 1-Belkin Uninterruptible Power Supply
- 1-Cyber Power Uninterruptible Power Supply
- 1-Nitrogen tank and regulator
- 1-Netgear Digital Switch

ON-AIR STUDIO

- 1-Dell Computer
- 1-HP 17 Inch Monitor
- 1-ADC 17 Inch Monitor
- 1-Audioarts Mixing Console
- 2-Tascam Cassette Players
- 2-Speakers
- 1-JVC CD Player
- 1-Analog TV Set
- 2-Senneheiser MD421 Microphones
- 1-A-Line half Rack
- 1-CD rack
- 1-CD Production Library
- 2-Microphone booms
- 2-Executive Chairs
- 2-Stuffed Chairs
- 1-Clock
- 1-Satellite Dish
- 1-4 Foot Harris 5.8 GHz Antenna
- 1-Scala Mina Paraflector 950Mhz
- 1-Radio Shack Tuner
- 1-Kenwood Tuner
- 1-TIE Telephone System with 4 Phones
- 1-BSI Simian Automation
- 1-Telos HX1 Hybrid

PRODUCTION

- 1-Audioarts Mixing Console
- 1-Dell Optiplex Computer
- 1-Firewall Computer
- 1-Dell Computer
- 1-Dell 17 Inch Monitor
- 1-17" Monitor
- 1-DBX-166A Processor/Equalizer
- 1-Yamaha Keyboard
- 1-Pioneer Monitor Amp
- 1-Gentner SPH-1 Telephone Hybrid
- 1-Symmetrix 528 Microphone Processor
- 1-CD Production Library
- 2-Speakers
- 2-Office Chairs

SALES OFFICE

- 3-Desks
- 2-Book Cases
- 2-2 Drawer Files

1-Canon Copier
1-Clock
1-Printer
1-Netgear Router
1-Belkin Router

MANAGER'S OFFICE

1-Desl
3-Chairs
1-Computer
1-Bookcase

FRONT OFFICE/RECEPTION AREA

1-Gateway Computer
1-Desk with two extensions
1-Epson Printer
1-Laser Fax
2-4 Drawer Files
2-2 Drawer Files
1-Couch
3 Chairs

AM CONTROL/MASTER CONTROL

1-Audioarts R55e Console
1-Numark Dual Cd Player
1-Rolls Mixer
1-Telos 1X6 Telephone Hybrid
1-Symmetrix 506E Microphone Processor
1-Electro Voice RE-20 Microphone
1-Crown D-45 Amplifier
2-Modular Desk/work stations
2-Tables
6-Chairs
4-Sennheiser MD-421 Microphones
2-Event Speakers
1-Dell Laptop Computer
3-Dell Computers
1-BSI Simian System
2-Industrial Case Dell Computers (Simian I think)
2-GE Super Radios
1-Boom Box Radio
1-Omnia 3 FM Processor
1-Optimod 8500 FM Processor
1-Harris HDE-100 HD Exporter
1-Harris Dell Power Edge HD Importer

- 1-Intraplex HD STL
- 1-Harris 5.8 GHz Receiver/Transmitter
- 1-Energ-Onix 950 MHz STL Transmitter
- 1-Broadcast Tools PSCII Controller
- 1-Sage Endec EAS Unit
- 1-XDS-PRO Satellite Receiver
- 1- Big Screen TV
- 2-Couches
- 1-APC UPS
- 1-Coat Rack
- 1-Coffee Machine
- 2-Extended size equipment racks and associated wiring and termination blocks
- 1-Barix Extremer 500 for SRN Programming. Runs with computer switcher control.
- May belong to SRN.
- 1-CRL AGC

STORAGE AREA

- 1-Ladder
- 1-Desk
- 2-Tables
- 1-Storage Rack
- 1-Pop-up Tent
- Miscellaneous Parts and Pieces
- 1-XDS-PRO Sat Receiver
- 1-International Datacasting Sat Receiver
- 1-Dial Global Sat Receiver

BREAK ROOM

- 1-Couch
- 1-Glass Coffee Table
- 1-2 Drawer File
- 1-Refrigerator
- 1-Microwave

B. FCC Licenses, Authorization, and Applications:

KPPT-FM: Licensed.
FCC File: BLH-20030926AQJ – 2/9/2004
Last Renewed: 1/24/14: FCC File BRH-20130930AYI
Expiry: 2/1/2022

KCUP-AM: Licensed
FCC File: BR-3950 – 2/1/1981
Last Renewed: 1/24/2014: FCC File BR20130930AYM
Expiry: 2/1/2022

C. Call Letters “KPPT-FM” and “KCUP-AM” and all slogans, trademark(s) and brand names associated therewith to include:

- a. Boss Radio Network
- b. Internet domain: bossradiofm.net

EXHIBIT 1(b)
EXCLUDED ASSETS

- Accounts Receivable, pro-rated to the billing of August 31, 2019. All Accounts Receivable in existence from the September 1, 2019 billing date forward shall be assigned to Buyer at Close.
- Cash
- Cash equivalents
- Pre-paid deposits
- Advertising contracts for other than cash (“Trades”) that have not been reviewed and accepted by Buyer
- Pictures on wall of station studio
- Generator in studio storage

EXHIBIT 1(c)
LIABILITIES

Buyer will assume none of Seller’s liabilities other than those specifically agreed to herein. Payment of accounts payable in existence as of the Closing Date shall be the sole responsibility of Seller, except for any of Buyer’s pro-rated expenses at Closing.

Buyer shall assume only those contracts, leases, agreements, and/or obligations which Buyer has reviewed and agreed in writing to assume, specifically those itemized at EXHIBIT 5 hereinbelow.

EXHIBIT 2
ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Escrow Agreement") is made and entered into as of the 15th day of October, 2019, by and between AGPAL BROADCASTING, INC., an Oregon Corporation ("Seller") and XANA OREGON, LLC, a Washington Limited Liability Company ("Buyer"). The parties hereto shall be known as the "Parties" collectively and a "Party" in the singular.

WITNESSETH:

WHEREAS, the Parties have entered into an Asset Purchase Agreement (the "Purchase Agreement") of even date herewith, providing for the sale by Seller and the purchase by Buyer of the Purchased Assets set forth in the Purchase Agreement, used or useful in the operation of the following radio broadcast stations (the "Stations") subject to approval of the Federal Communications Commission (the "FCC" or "Commission"):

- (a) KPPT-FM, Depoe Bay, Oregon: Facility ID# 642; and
- (b) KCUP-AM, Toledo, Oregon: Facility ID# 645.

WHEREAS, the form of this Escrow Agreement is an exhibit to the Purchase Agreement;

WHEREAS, pursuant to the Purchase Agreement, an Escrow Deposit of Twenty Thousand Dollars (\$20,000.00) has been placed in the client trust fund account with the law firm of Hawkins Law, PLLC, Walla Walla, Washington (as "Escrow Agent"), which has agreed to serve as a stakeholder to the benefit of the Parties. Upon the execution of the Purchase Agreement and a filing of an Assignment Application requesting FCC approval of an assignment of the Station's FCC Licenses from Seller to Buyer, the Escrow Deposit shall be held to the benefit of the Parties until such time that the Parties provide written instructions to Escrow Agent for the disposition of the Escrow Deposit.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained in the Purchase Agreement and in this Escrow Agreement, the Parties agree as follows:

1. Pursuant to the terms of the Purchase Agreement, Buyer has deposited an Escrow Deposit in the amount of Twenty Thousand Dollars (\$20,000.00) with Escrow Agent. The Escrow Deposit shall be held in Escrow Agent's client trust fund (IOLTA) account. Consistent with Washington rules regarding such IOLTA accounts, any interest accrued while Escrow Agent holds the Escrow Deposit will accrue to the benefit of the Legal Foundation of Washington (and shall not be disbursed to Seller or Buyer).

2. Escrow Agent shall deliver the Escrow Deposit upon receipt of written notification executed jointly by Buyer and Seller as directed. The Parties agree that the Escrow Deposit shall be held in escrow until the Closing Date as defined in the Purchase Agreement or until the occurrence of an event provided in this Escrow Agreement. Upon the delivery of any or all of the

Escrow Deposit via cashier's check or wired funds, the costs associated with the generation of the cashier's check or the cost of the wiring shall be borne by the Party to receive such payment.

(a) In the event the transaction closes in the manner contemplated in the Purchase Agreement, the Escrow Deposit shall be paid over to Seller at the Closing Date in accord with the Purchase Agreement.

(b) In the event the transaction does not close due to a material breach by or default of Buyer of the terms of the Purchase Agreement and Seller is not in material default or breach and all conditions precedent to Buyer's obligation to close have been satisfied, the Escrow Deposit shall be paid over to Seller as Liquidated Damages.

(c) In the event the transaction does not close due to a material breach by or default of Seller of the terms of the Purchase Agreement and Buyer is not in material default or breach, then the Escrow Deposit shall be paid over to Buyer subject to Buyer's right to Specific Performance.

(d) In the event the transaction does not close within six (6) months from the date of acceptance for filing of the Assignment Application, either Buyer or Seller may at its option, give notice of termination of the Purchase Agreement to the other, provided the terminating Party is not in material breach or default under the Purchase Agreement. If Buyer is not in material breach or default, the amount of the Escrow Deposit shall be returned to Buyer upon written demand without any further liability of either Party to the other.

(e) In the event Buyer cancels the transaction at any time subsequent to the execution by Buyer and Seller of the Purchase Agreement and the filing of the Assignment Application on FCC Form 314 with the FCC, but prior to or upon FCC approval, and Seller is not in default or breach of the Purchase Agreement, and the proposed transaction has not been canceled due to the lapse of time described in Paragraph 2(d) above, the Escrow Deposit shall be paid over to Seller.

(f) In the event the transaction does not close because of the mutual written consent of the Buyer and Seller or due to an FCC denial of the Assignment Application for reasons other than Buyer's lack of qualifications to become an FCC licensee and the FCC's denial of the Assignment Application has become Final and no longer subject to a Petition for Reconsideration, the amount of the Escrow Deposit shall be returned to Buyer upon written demand without any further liability of either Party to the other.

(g) If any provision of Sub-paragraphs 2(a) through 2(f) above with respect to the disposition of the Escrow Deposit is in conflict with any provision of the Purchase Agreement with respect to such disposition, then such provision in the Purchase Agreement shall control.

3. The undersigned agree that the following provisions shall control with respect to the rights, duties, liabilities, privileges and immunities of Escrow Agent:

(a) Escrow Agent shall not be bound in any way to the Purchase Agreement or any other agreement or contract out of which this escrow may arise (whether or not Escrow Agent has knowledge thereof).

(b) Escrow Agent serves as a depository only, and is not responsible or liable in any matter or validity of the subject matter of the escrow, or any part thereof, or for the form of execution thereof, or for the identity or authority of any person executing or depositing it.

(c) In the event there is a dispute or disagreement by and between the Buyer and Seller regarding the disbursement of the Escrow Deposit, and no written instructions regarding disbursement of the Escrow Deposit have been provided to Escrow Agent, then Escrow Agent shall continue to hold the Escrow Deposit until there is a final judgement or arbitration decision directing disbursement of the Escrow Deposit, subject to the terms of Sub-paragraphs 3(e) and 3(g) herein.

(d) If Seller is unsuccessful in any arbitration or litigation relating to the Escrow Deposit or any portion thereof, then the fees and expenses of Escrow Agent in connection therewith shall be paid by Seller, but if Buyer is the unsuccessful Party, then Buyer will bear the fees and expenses of Escrow Agent in connection therewith.

(e) Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of such resignation to Buyer and Seller specifying the date when such resignation shall take effect. Upon such notice, a successor stakeholder shall be appointed with the consent of both Buyer and Seller and the service of such successor stakeholder shall be effective as of the date of resignation specified in the notice, which date shall not be less than thirty (30) days after the giving of such notice.

(f) Escrow Agent undertakes to perform only such duties as are specifically set forth herein and may rely and shall be protected in acting or refraining from acting, on any written notice, instrument, or signature believed by it to be genuine and to have been signed or presented by the proper Party or Parties duly authorized to do so.

(g) In the event there is a dispute or disagreement by and between the Buyer and Seller on the disbursement of the Escrow Deposit, Escrow Agent may, at its option and in accordance with applicable law, file an action, bill, or interpleader, or similar action for such purpose, in a Court of competent jurisdiction, and upon Court approval pay the Escrow Deposit and all income earned or accrued thereon, less any fees and expenses associated therewith to include legal fees associated with the preparation of the filing, into said Court, in which event, Escrow Agent's duties, responsibilities, and liabilities with respect to the Escrow Deposit, the proceeds, and this Escrow Agreement shall terminate.

(h) Buyer and Seller each agree, jointly and severally, to indemnify, defend, hold harmless, pay or reimburse Escrow Agent and its affiliates and their respective successors, assigns, directors, agents and employees (the "Indemnitees") from and against any and all losses, damages, claims, liabilities, penalties, settlements, litigation, investigations, costs, or expenses (including without limitation, the fees and expenses of outside counsel and experts and their staffs and all expense of document location, duplication and shipment) (collectively "Losses") arising

out of or in connection with Escrow Agent's performance as escrow holder, except to the extent that such Losses are determined by a court of competent jurisdiction through a final order to have been caused by the gross negligence, willful misconduct, or fraud of such Indemnitee. The obligations set forth in this Sub-paragraph 3(h) shall survive the resignation, termination, replacement or removal of Escrow Agent as escrow holder or the termination of this Agreement. If any of the Escrow Deposit or funds deposited that may be deposited in connection with this Agreement shall be attached, garnished, levied upon, or otherwise be subject to any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all such orders entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that Escrow Agent obeys or complies with any such order it shall not be liable to the Seller or the Buyer or to any other person by reason of such compliance notwithstanding such order be subsequently reversed, modified, annulled, set aside or vacated. The Parties acknowledge that Escrow Agent as a third-party beneficiary hereunder is expressly relying on the provisions hereof as a condition to acting as escrow agent for the Parties

(i) Seller acknowledges that Escrow Agent has acted as legal counsel for the Buyer and certain of its managers and affiliates (collectively "Buyer Group") and may continue to act as legal counsel for the Buyer Group from time to time, notwithstanding its duties as a stakeholder or escrow holder as contemplated by this Escrow Agreement. Seller consents to Escrow Agent acting in such capacity as legal counsel for the Buyer and each waives any claim that such representation represents a conflict of interest on the part of Escrow Agent or requires Escrow Agent to advise the Seller in connection with any matter other than as explicitly provided for and expressly imposed by this Escrow Agreement. Except as so explicitly provided for and expressly imposed and professional duties as an escrow agent to the Seller, Seller acknowledges that Escrow Agent owes no other professional duties to Seller and Seller understands that Escrow Agent is relying explicitly on the provisions of this Sub-paragraph 2(i) in entering into its responsibilities as herein contemplated.

4. All notices, requests, demands, and other communications hereunder shall be in writing, shall be given simultaneously to all Parties hereunder and shall be deemed to have been given if delivered by hand, mailed (certified mail, postage pre-paid, return receipt requested), recognized overnight courier, or sent via facsimile as follows:

(a) If to Seller:

Agpal Broadcasting, Inc.
c/o Mr. Paul McAnally
P.O. Box 456
Newport, Oregon 97365
(541) 265-5000
Email: paulmac665@hotmail.com

(b) If to Buyer:

Mr. Tom Hodgins, Member
Xana Oregon, LLC
45 Campbell Rd.
Walla Walla, WA 99362
(509) 527-1000
Email: tomh@kujam.com

(c) If to Escrow Agent:

Mr. Jared N. Hawkins, Attorney at Law
Hawkins Law, PLLC
2225 Isaacs, Suite A
Walla Walla, WA 99362
(509) 529-5175
Email: jared@hawklaw.biz

or to any other party or address as the Parties may from time to time designate in writing.

5. This Escrow Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns.

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

7. To the extent not governed by federal law, this Escrow Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Washington without reference to its principles of conflicts of law. All disputes and controversies arising out of or in connection with this Agreement shall be resolved exclusively by the state and federal courts located in the County of Walla Walla in the State of Washington, and each Party hereto agrees to submit to the jurisdiction of said courts and agrees that venue shall lie exclusively with such courts.

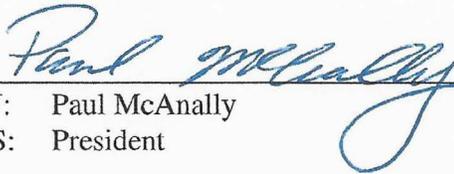
8. This Escrow Agreement may be amended by mutual consent of the Parties, but only by a written instrument duly signed by the Parties to the Purchase Agreement.

9. This Escrow Agreement shall automatically terminate upon the distribution of the Escrow Deposit in accordance with the terms hereof.

[The Next Page is the Signature Page]

IN WITNESS WHEREOF, the Parties have executed this Escrow Agreement on the day and year first above written.

SELLER
AGPAL BROADCASTING, INC.


BY: Paul McAnally
ITS: President

BUYER
XANA OREGON, LLC

BY: _____
Thomas D. Hodgins, Member

ESCROW AGENT
HAWKINS LAW, PLLC

BY: _____
Jared Hawkins, Esq.

IN WITNESS WHEREOF, the Parties have executed this Escrow Agreement on the day and year first above written.

SELLER
AGPAL BROADCASTING, INC.

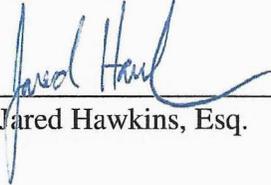
BY: Paul McAnally
ITS: President

BUYER
XANA OREGON, LLC

BY: 

Thomas D. Hodgins, Member

ESCROW AGENT
HAWKINS LAW, PLLC

BY: 

Jared Hawkins, Esq.

EXHIBIT 3
PURCHASE PRICE ALLOCATION

It is agreed between the Parties hereto that the Purchase Price is being paid for the Assets in the amounts set forth hereto. Seller and Buyer agree to jointly complete and separately file their federal income tax returns for the tax year in which the Closing Date occurs, that neither Seller nor Buyer shall take a position on any income, transfer or gain tax return, before any governmental agency charged with the collection of any such tax or in any judicial proceeding that is in any manner substantially inconsistent with the terms of any such allocation without the written consent of the other.

Allocation of Purchase Price:

A. Tangible Personal Property:	\$ 150,000.00
B. FCC Licenses:	\$ 5,000.00
C. Goodwill:	\$ 0.00
	<hr/>
Total:	\$ 155,000.00

EXHIBIT 4
LOCAL MARKETING AGREEMENT

LOCAL MARKETING AGREEMENT

AGPAL BROADCASTING, INC., an Oregon Corporation, ("Licensee") and XANA OREGON, LLC, a Washington Limited Liability Company ("Programmer") agree, this 15th day of October, 2019, to enter into this LOCAL MARKETING AGREEMENT (this "LMA") under the terms and conditions specified herein. The parties hereto are collectively and individually referred to herein as the Parties.

WITNESSETH:

WHEREAS, Licensee owns and operates the following radio broadcast Stations (the "Stations"):

- (a) KPPT-FM, Depoe Bay, Oregon: Facility ID# 642; and
- (b) KCUP-AM, Toledo, Oregon: Facility ID# 645.

WHEREAS, Programmer desires to acquire time on the Stations for the provision of programming and the generation of advertising sales;

WHEREAS, Licensee desires to accept the programming produced by Programmer and to make broadcasting time on the Stations available to Programmer on terms and conditions which conform to the FCC Rules and to this LMA;

WHEREAS, the Parties have entered into an Asset Purchase Agreement of even date herewith (the "Purchase Agreement") pursuant to which Programmer as "Buyer" will purchase the Stations and substantially assets used and useable in the operation of the Stations, subject to the consent of the Federal Communications Commission (the "FCC" or "Commission");

WHEREAS, this LMA complies with the local and national multiple station ownership and audience reach limitations of Section 73.3555 and the program duplication limitations of Section 73.3556 of the rules and regulations of the Federal Communications Commission (the "FCC" or "Commission"); and

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in light of the mutual promises and covenants contained herein, Licensee and Programmer hereby agree, as follows:

1. Commencement Date and Term.

(a) This LMA shall become effective as of the date hereof (the "Effective Date") and Programmer's operations shall commence as of the date hereof, or at such other date the Parties shall agree upon (the "Commencement Date").

(b) This LMA shall remain in place for one (1) year from the Commencement Date (the "LMA Period"), unless extended by mutual agreement of the Parties, superseded by a sale of the Stations to Programmer, or otherwise terminated.

(c) In the event this LMA shall carry over due to time required to obtain the FCC grant to an assignment of the Stations' FCC Licenses, the terms contained herein shall continue on a month-to-month basis until such time that the assignment may be granted and consummated.

2. Use of Stations' Facilities. Upon the Commencement Date, Licensee will, subject to the terms and conditions herein, make available to Programmer the broadcast transmission facilities of the Stations on a twenty-four (24) hour per day, seven (7) day per week basis for carriage on the Stations of programming content produced and/or selected by Programmer and delivered by Programmer provided that any and all programming material proffered by Programmer for carriage on the Stations will be in material compliance with any and all applicable laws and governmental regulations, including but not limited to the Communications Act of 1934, as amended (the "Act"), and the rules and regulations of the FCC.

3. Advertising and Program Sponsorships. Programmer shall have the exclusive right to solicit advertising and/or program sponsorships subject to the Licensee's reasonable exercise of its ultimate authority as required by the FCC's Rules and the Communications Act of 1934, as amended (the "Act"). Programmer shall have sole responsibility for the billing and collection of fees and other charges for all matter aired on the Stations pursuant to this LMA.

4. Programming.

(a) Standards and Practices. All programming shall be prepared and presented in manner that conforms with Standards and Practices established by Licensee to comply with its public interest obligations, FCC Rules and the Act. Programmer agrees to comply with the Standards and Practices contained at Exhibit 1 hereto.

(b) Responsive Programming. Licensee shall retain the right and responsibility to have the Stations air programming it deems reasonably responsive to the needs and interests of the Stations' community of license, and the surrounding service areas ("Responsive Programming"). Licensee shall deliver advance written instructions(s) to Programmer at least at least seven (7) days prior to the airing of Responsive Programming, including but not limited to Public Service Announcements ("PSAs"), local news items, or other material deemed essential to Licensee's compliance with the Act, FCC rules and the public interest except when such Responsive Programming shall be broadcast in an emergency situation. Emergency situations include, but are not limited to, programming in response to activation of the Emergency Alert System,

(c) Equal Opportunities and Personal Attack Requests. Licensee will forward to Programmer within two (2) business days any and all requests which Licensee receives for the purchase of air time by qualified candidates for Federal office, requests for equal opportunities by legally qualified candidates, requests to respond to personal attacks over the Stations, and requests by legally qualified candidates for a right to respond to political editorials.

5. Termination.

(a) This LMA shall terminate upon the earlier of a sale of the Stations from Licensee to Programmer, the termination of this LMA by mutual consent, an event of default, or upon the expiration of this LMA without extension, at the end of the LMA Period or any extensions thereof.

(b) In the event Programmer abandons its operations prior to the end of the Term of this LMA, Programmer shall be obligated to pay to Licensee any LMA Fees remaining to be paid during the Term of this LMA as liquidated damages subject to any offsets including: (i) the retention of operating equipment and/or software which may be acquired by Programmer as a part of its operations and (ii) revenues coming to the Programmer during the LMA Period, after such abandonment, through other uses of the Stations or by sale of any of the Stations to third parties after accounting for all debts the Programmer owes to the Licensee related to the Stations.

6. Consideration and Payment.

(a) As consideration for entering into this LMA, Programmer has loaned Licensee the sum of Four Thousand One Hundred Forty-Two Dollars and Fifty-Nine Cents (\$4,142.59). Upon execution of this LMA, Licensee shall assign to Programmer all Accounts Receivable as of September 30, 2019, whether paid or still outstanding, and such payment shall satisfy repayment of Programmer's loan to Licensee.

(b) During the Term of this LMA, Programmer shall pay to Licensee the monthly LMA Fee set forth in Exhibit 2 to this LMA. Monthly payments shall be due and payable on the first day of each month herein. This LMA Fee is separate from the Operating Expenses.

(c) In addition to the monthly LMA Fees, Programmer shall reimburse Licensee for those expenses of operation which must remain under Licensee's control. Reimbursements shall be made monthly within five (5) business days of presentment of original invoices and/or bills, and Licensee shall be entitled to reimbursement for expenses and expenditures including but not limited to expenses associated with operations described in Section 8(a)(i-iv) below and all other standard and customary operating expenses, an estimated schedule of which is attached hereto at Exhibit 3. All such expenses shall be agreed to by the Parties as of the Commencement Date of this LMA and reviewed and adjusted from time to time as the Parties find necessary to reflect the actual expenses incurred.

7. Management Support and Pro-rations.

(a) As of October 1, 2019, Programmer has been providing management support of Station operations, under the direction of Licensee to include the advancement of limited operating funds for which Licensee has agreed to provide reimbursement via an assignment of the Stations' Accounts Receivable as of the September 30, 2019 billing and going forward (the "Management Period"). This management arrangement shall be superseded by the terms of this LMA upon the Commencement Date.

(b) Notwithstanding the reimbursement arrangement during the Management Period, Operations of the Stations during the Term of this LMA shall be pro-rated to the Commencement Date of this LMA. Operations of the Stations and any income, expense, and liabilities attributable thereto through the Commencement Date shall be for the account and obligation of Licensee and thereafter for the account and obligation of Programmer. Expenses including, but not limited to, such items as power and utilities charges, property taxes, rents, commissions, leases and agreements, and similar prepaid and deferred items shall be prorated between Licensee and Programmer in accordance with generally accepted accounting principles, the pro-rations to be made as of the Commencement Date.

8. Expenses. Subject to pro-rations and reimbursement, the Parties shall remain responsible for the following expenses during the term of this LMA, respectively:

(a) Licensee. Without limitation, Licensee shall have initial responsibility (subject to its right to be reimbursed by Programmer as provided in Section 6(b) above) on and after the Commencement Date of this LMA for:

(i) Any and all rental expenses for the Stations' transmitter site(s) and any equipment purchase and/or lease payments;

(ii) Any and all utility bills, (gas, water, telephone [other than toll charges or listener call-in lines], and electricity) rendered at or in conjunction with the Stations' studios, offices, and transmission facilities;

(iii) Payment of all taxes, licenses, and other governmental fees necessary for the lease, use, and ownership of the Stations' facilities to include without limitation FCC Regulatory Fees, and filing fees associated with FCC mandated reporting;

(iv) Insurance to cover loss of or damage to the Stations' facilities and general liability insurance; and

(b) Programmer. From the Commencement Date of this LMA, Programmer shall provide for the following:

(i) Any and all expenses incurred in the production or distribution of programming to be aired on the Stations (other than PSA's, news items, and other material inserted at the request of Licensee);

(ii) Payroll taxes for Programmer's personnel used in the provision of programming contemplated herein ("Payroll Taxes");

(iii) Any and all fees charged by ASCAP, BMI, SESAC, and GMR ("Music Licensing Fees") for programming aired after the Commencement Date of this LMA; and

(iv) General maintenance of the Stations' transmission, production, and office equipment furnishings, and fixtures (the "Tangible Personal Property"). At Programmer's

option, in the event of loss or failure, Programmer may replace affected Tangible Personal Property at its own expense. Ownership of such replacement items shall remain with Programmer unless transferred to Licensee pursuant to Section 16(c) hereinbelow.

9. Control of Stations. Notwithstanding anything in this LMA to the contrary, Licensee shall at all times retain, and hereby so certifies that it has, ultimate control over the Stations' operations, including but not limited to its finances, personnel, and programming. Licensee shall engage and retain personnel to comply with the FCC's personnel requirements for staffing the Stations. Licensee's President shall be responsible for overseeing the daily operations of the Stations. Licensee shall also maintain a public inspection file pursuant to FCC Rules. Licensee shall retain the right to reject, pre-empt and replace any programming proffered by Programmer under this LMA if, in the sole opinion of Licensee, such programming is in violation of any applicable law, governmental policy or rule, or otherwise inconsistent with the public interest.

(a) Programmer agrees to provide Licensee monthly reports regarding programming addressing issues and concerns of the community so that Licensee may include such information in its quarterly Issues and Programming Reports to be filed online with the FCC.

10. Force Majeure. Licensee shall not be liable to Programmer or be deemed to be in breach of this LMA for any malfunction of the Stations' facilities, or for any delay or interruption in the broadcast of programming proffered by Programmer, due to acts of God, war, terrorism, strikes or threats thereof, or other causes beyond the control of Licensee.

11. Retention of Broadcast Rights. Programmer shall retain whatever copyrights and other retransmission rights it has to and in any and all programming proffered for carriage on the Stations, and no programming supplied to Licensee pursuant to this LMA shall be rebroadcast, copied, or made available for any other use without the prior written consent of Programmer.

12. Filing with FCC. The Parties shall cooperate in obtaining any required FCC approval of this LMA. To that end, the Parties will negotiate in good faith to amend any provision which the FCC advises the Parties, either formally or informally, is not allowed. If required by the FCC, the Parties will file a copy of this LMA with the FCC within thirty (30) days from the Effective Date of this LMA via upload to the Stations' Online Public Information Files ("OPIF").

13. Indemnification.

(a) Programmer hereby indemnifies and otherwise holds Licensee harmless against any and all liability for libel, slander, illegal competition or trade practices; infringement of trademarks, trade names, or program titles; and infringement of copyrights and proprietary rights resulting from the carriage of programming supplied by Programmer over the Stations' broadcast transmission facilities. Licensee shall have the right to refuse to broadcast any programming proffered by Programmer under this LMA which, in the reasonable opinion of Licensee, contains matter which is or may be in violation of any right of any third party or FCC policy and rules.

(b) Except as herein provided, Licensee hereby agrees to indemnify and hold Programmer and the property of Programmer free and harmless from any and all claims, demands, liabilities, obligations, actions, suits, proceedings, losses, damages, costs, expenses, assessments, judgments, recoveries, and deficiencies, including interest, penalties, and reasonable attorneys' fees and expenses, of any kind and description, contingent or otherwise (the foregoing hereinafter collectively referred to as "Damages"), occasioned by, arising out of, or resulting from the operation of the Stations prior to and/or subsequent to the Commencement Date of this LMA, or arising from use and operation of Licensee facilities over which the Programmer has no control or responsibility. Programmer will not indemnify Licensee from any Damages arising from Licensee's Responsive Programming pursuant to Section 4(b) hereinabove.

14. Representations.

(a) Joint Representations. The Parties represent to each other that they are each legally qualified, authorized, and otherwise able to enter into this LMA.

(b) Licensee Representations. Licensee represents (i) that it has all licenses and other authorizations from the FCC and other governmental authorizations necessary to operate the Stations as currently operated and (ii) that it is not aware of any investigation, complaint, petition, objection, or other event, existing or threatened, which, if acted on in a manner adverse to Licensee, would have a material adverse impact on the Stations' FCC authorizations or the Stations' current operations.

15. Events of Default.

(a) Definition of Default. The following shall each constitute, after the expiration of any applicable cure period, an Event of Default:

(i) Non-Payment. Programmer's failure to make payments to Licensee as required by Section 6 of this LMA.

(ii) Breach of Representation. If any representation or warranty made in this LMA by any Party, or in any certificate or document furnished pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished.

(iii) Breach of Covenants. A Party is in material breach of any obligation or representation assumed or made under this LMA, including but not limited to, compliance with the Act and FCC rules and policies.

(b) Cure Periods. An Event of Default, shall not be deemed to have occurred until thirty (30) days after one Party has provided the other Party with written notice specifying the event or events that, if not cured, would constitute an Event of Default, and the Party in receipt of such notice has not either (i) cured the default or (ii) otherwise provided legally sufficient proof that any claimed event of default does not exist.

(c) Termination upon Default. In the event of the occurrence of an Event of Default, either Party may terminate this LMA without further liability to the other Party except for amounts accrued but not yet paid to Licensee under Section 6 (unless the liability for such payments is offset by damages incurred by Programmer).

16. Specific Performance and Rights to Cure.

(a) The Parties agree that the Assets and the business opportunity represented by this LMA are unique and are not readily available on the open market and the Programmer and/or Licensee would each be irreparably injured by the other's failure to perform its obligations hereunder:

(i) In the event of Licensee's breach or default, Programmer shall have the right of specific performance and a right to cure with offset, either under the terms of this LMA or the Purchase Agreement;

(ii) In the event of Programmer's breach or default, Licensee shall have the right to liquidated damages equal to all LMA Fees paid to the date of default plus all LMA Fees remaining to be paid by Programmer to Licensee pursuant to the terms of this LMA.

(b) The Parties agree that during the term of this LMA, Licensee has the obligation to protect Programmer's interest in the Stations as its own. Therefore, in the event of any action (breach, default, or otherwise) which would cause Programmer to lose the enjoyment of its rights and interests in this LMA and the operation of the Stations, Licensee will grant Programmer the right to cure such cause with the right of offset for any of Programmer's costs associated with such cure.

(c) Any and all operating equipment and/or software purchased, leased, or otherwise acquired by Programmer to be used in the operation of the Stations ("Programmer Acquired Assets") shall at all times remain the property of Programmer. In the event of an early termination of this LMA due to a default, breach, or abandonment of the facilities and their operation by Programmer, such Programmer Acquired Assets may be retained by Licensee at Licensee's sole option and the value of such Programmer Acquired Assets may be used as an offset against Programmer's liquidated damages specific in Section 16 (a) (ii) above.

17. Finders, Consultants, and Legal Representation. The Parties hereby represent and warrant to one another that there has been no finder, broker, or consultant involved in the negotiations leading up to the execution of this LMA other than MCH Enterprises, Inc., which has represented Programmer in this transaction. Each Party shall be responsible for its own expenses associated with the prosecution of this LMA to include legal and engineering representation.

18. Waivers. No waiver or delay by a Party of any provision of this LMA shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by a Party of any remedy provided in this LMA or at law shall not prevent the exercise by that Party of any other remedy provided in this LMA or at law.

19. Governing Law, Venue, Severability. This LMA shall be governed for all purposes by the laws of the State of Oregon with venue in Lincoln County. Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision contained in this Agreement and any present or future status or law, ordinance or regulation or judicial ruling or governmental decision with the force of law contrary to which the Parties have no legal right to contract, the latter shall prevail, without invalidating or affecting the remaining provisions of this LMA.

20. Headings. The headings of the provisions of this LMA are included for convenience only, and no such heading shall in any way affect or alter the meaning of any provision.

21. Successors and Assigns. This LMA may not be assigned without the written consent of the other Party. This LMA and the terms and conditions contained herein shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors and assigns.

22. Counterpart Signatures. This LMA may be signed in one or more counterparts, all of which shall be deemed to be a single LMA, binding on the Parties. The Parties' executed counterparts may be signed and exchanged by facsimile transmission or delivered as electronically scanned documents, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

23. Notice. Any notice required or allowed under this LMA shall be in writing and shall be deemed given when delivered personally, mailed by certified mail, return receipt requested (postage prepaid), or sent by an overnight delivery service (charges prepaid), and addressed to the following:

(a) If to Licensee:

Agpal Broadcasting, Inc.
c/o Mr. Paul McAnally
P.O. Box 456
Newport, Oregon 97365
(541) 265-5000
Email: paulmac665@hotmail.com

(b) If to Programmer:

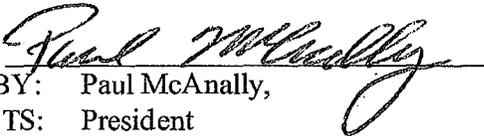
Mr. Tom Hodgins, Member
Xana Oregon, LLC
45 Campbell Rd.
Walla Walla, WA 99362
(509) 527-1000
Email: tomh@kujam.com

or to any other address as the Parties may from time to time designate in writing.

25. Entire Agreement. This LMA embodies the entire understanding between the parties and supersedes any and all prior and contemporaneous agreements, representations, warranties, or understandings, oral or written, between the parties with respect to the subject matter hereto. This LMA may be modified only by a document executed by both Parties.

IN WITNESS WHEREOF the Parties have executed this LOCAL MARKETING AGREEMENT as of the date first above written.

LICENSEE
AGPAL BROADCASTING, INC.


BY: Paul McAnally,
ITS: President

PROGRAMMER
XANA OREGON, LLC

BY: _____
Thomas D. Hodgins, Member

or to any other address as the Parties may from time to time designate in writing.

25. Entire Agreement. This LMA embodies the entire understanding between the parties and supersedes any and all prior and contemporaneous agreements, representations, warranties, or understandings, oral or written, between the parties with respect to the subject matter hereto. This LMA may be modified only by a document executed by both Parties.

IN WITNESS WHEREOF the Parties have executed this LOCAL MARKETING AGREEMENT as of the date first above written.

LICENSEE
AGPAL BROADCASTING, INC.

BY: Paul McAnally,
ITS: President

PROGRAMMER
XANA OREGON, LLC

BY: 

Thomas D. Hodgins, Member

EXHIBIT 1 STANDARDS AND PRACTICES

XANA OREGON, LLC, a Washington Limited Liability Company ("Programmer"), agrees to cooperate with AGPAL BROADCASTING, INC. ("Licensee") and owner of broadcast radio Stations KPPT-FM, Depoe Bay, Oregon and KCUP-AM, Toledo, Oregon (the "Stations"), in the broadcasting of programs of the highest possible standards of excellence and for this purpose to observe the following standards in the preparation, writing, and broadcasting of its programs:

1. Respectful of Faiths. The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times.
2. No Denominational Attacks. Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual or organization.
3. Controversial Issues. Any discussion of controversial issues of public importance shall be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity, or like personal qualities of any person or group of persons shall be made during the discussion of controversial issues of public importance; and during the course of political campaigns, programs are not to be used as a forum for editorializing about individual candidates. If such events occur, Licensee may require that responsive programming be aired.
4. Donation Solicitation. Requests for donations in the form of a specific amount, for example, "One Dollar to Five Dollars", shall not be made if there is any suggestion that such donation will result in miracles, cures, or prosperity. However, statements generally requesting donations to support a church or other charity are permitted.
5. Sale of Religious Artifacts. The offering for sale of religious artifacts or other items for which listeners would send money is prohibited unless such items are readily available in ordinary commerce or are clearly being sold for legitimate fund-raising purposes.
6. No Plugola or Payola. The mention of any business activity or "plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited.
7. No Lotteries. Announcements giving any information about lotteries or games prohibited by Federal or State law or regulation are prohibited.
8. No "Dream Books". References to "Dream Books", the "Straight Line", or other direct or indirect descriptions or solicitations relative to the "Numbers Game", or the "Policy Game", or any other form of gambling prohibited under local, State, or Federal law are prohibited.
9. Election Procedures. At least ninety (90) days before the start of any primary or regular election campaign, Programmer will clear with Licensee the rate Programmer will charge for the

time to be sold to candidates for the public office and/or their supporters to make certain that the rate charged conforms to the applicable law and Stations policy.

10. Commercial Limitations. With respect to any given segment of air time hereunder, the amount of commercial matter shall not exceed sixteen (16) minutes during any sixty (60) minute segment with the exception of so-called "infomercials" which shall be appropriately logged and recorded on the Stations' traffic logs. Programmer will provide, for attachment to the Stations' logs, a list of all commercial announcements for its programming.

(a) Programmer shall cause to be included on all advertising or sponsorship contracts certification substantially as follows: *"NON-DISCRIMINATION POLICY: [Insert name of broadcaster] and its Stations[s] do not discriminate in underwriting or sponsorship contracts on the basis of race or ethnicity. Any provision in any order or agreement for underwriting or sponsorship that purports to discriminate on the basis of race or ethnicity, even if handwritten, typed, or otherwise made a part of a particular contract, is hereby rejected."*

11. Required Announcements. Programmer shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Stations, (ii) an announcement at the beginning and end of each program to indicate that program time has been purchased by Programmer, and (iii) any other announcement that may be required by law, regulation, or Stations policy.

12. Credit Terms Advertising. Pursuant to rules of the Federal Trade Commission, no advertising of credit terms shall be made over the Stations beyond mention of the fact that, if desired, credit terms are available.

13. Commercial Record Keeping. Programmer shall not receive any consideration in money, goods, services, or otherwise, directly or indirectly, from any person or company for the presentation of any programming over the Stations without reporting the same in advance to and receiving the prior written consent of Licensee. No commercial messages ("plugs") or undue references shall be made in programming presented over the Stations to any business venture, profit making activity, or other interest (other than noncommercial announcements for bona fide charities, church activities, or other public service activities) in which Programmer (or anyone else) is directly or indirectly interested without the same having been approved in advance by Licensee and such broadcast being announced, logged, and sponsored.

14. No Illegal Announcements. No announcements or promotion prohibited by Federal or State law or regulation of any lottery or game shall be made over the Stations. Any game, contest, or promotion relating to or to be presented over the Stations must be fully stated and explained in advance to Licensee, which reserves the right in its sole discretion to reject any game, contest, or promotion.

15. Discretion Paramount. In accordance with Licensee's responsibilities under the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission, Licensee reserves the right to reject or terminate any advertising

proposed to be presented or being presented over the Stations which is in conflict with Stations policy or which in Licensee sole judgment would not serve the public interest.

16. Programming Prohibitions. Programmer shall not broadcast any of the following programs or announcements:

- (a) False or unwarranted claims for any product or service.
- (b) Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.
- (c) Any disparagement of competitors or competitive goods.
- (d) Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or treatment.
- (e) Any price mentions except as permitted by Licensee's policies current at the time.
- (f) Any testimonials which cannot be authenticated.
- (g) Any continuity which describes in a repellent manner internal bodily functions or symptomatic results of internal disturbances, and no reference to matters which are not considered acceptable topics in a social setting.
- (h) Any advertising matter or announcement which may, in the opinion of Licensee, be injurious or prejudicial to the interests of the public, the Stations, or honest advertising and reputable business in general.
- (i) In any case where questions of policy or interpretation arise, Programmer should submit the same to Licensee for decision before making any commitments in connection therewith.

[End]

**EXHIBIT 2
LMA FEES**

During the Term of this LMA, Programmer shall pay a monthly LMA Fee of One Dollar (\$1.00) and reimburse Licensee for all expenses of operating the Stations to include but not limited to those set forth in Exhibit 3 hereinbelow.

EXHIBIT 3
REIMBURSEABLE OPERATING EXPENSES
PER SECTIONS 6(b) AND 8(a)(i-iv)

These Reimbursable Operating Expenses are in addition to the monthly LMA Fee required herein.

- (i) Rental Expenses:
- (ii) Utility Bills:
- (iii) Taxes, Licenses and other Governmental Fees:
- (iv) Insurance:
- (v) Maintenance and Repair:
- (vi) Other items to which the Parties agree including:
Music Licensing Fee unless directly contracted as per Section 8(b)(iii)

EXHIBIT 5
CONTRACTS, LEASES, and AGREEMENTS

Buyer shall assume only those contracts, leases, agreements, and/or obligations which Buyer has reviewed and agreed in writing to assume, and which at Closing will be to Buyer's satisfaction in full force and effect.

- a. Office/Studio Lease
- b. Transmitter Site Leases
- c. Contracts for the Sale of Advertising
- d. Permitted Trade accounts