

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of this 3th day of May, 2012 (the "Effective Date") by and between **Tahoe Truckee Radio, LLC**, a California limited liability company ("Buyer"), and **Todd Robinson, Inc.**, a North Carolina corporation ("Seller") (Buyer and each Seller, each a "Party" and, collectively, the "Parties").

RECITALS

WHEREAS, Seller is the licensee and operator of commercial FM Radio Station KTKE (FM) (Facility ID No. 88673) (the "Station"), holding valid authorizations for the operation thereof from the Federal Communications Commission (the "FCC"), and Seller owns or leases all other assets used in connection with the operation of the Station;

WHEREAS, pursuant to a Time Brokerage Agreement dated May 1, 2010 (the "LMA"), Buyer manages Seller's operation of the Station; and

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to purchase all of the Station Assets.

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree to the following terms and conditions:

ARTICLE 1: SALE AND PURCHASE

1.1 **Station Assets**. Subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as defined below) only the following assets, properties, interests and rights of Seller used in connection with the Station (collectively, the "Station Assets");

(a) **[Intentionally Omitted]**.

(b) **Licenses and Authorizations**. All licenses, authorizations, permits and approvals issued with respect to the Station by the FCC including, without limitation, the Permit (the "FCC Authorizations"), as set forth on Schedule 1.1(b) attached hereto.

(c) **Books and Records**. All engineering and other books, papers, files, correspondence and records pertaining to the operations of the Station, including the log books, FCC-required local public inspection and political files, and copies of all filings and correspondence with the FCC which are in the possession of Seller; provided that Seller may retain copies thereof.

(d) **Contracts and Leases**. All contracts and leases used or useful in the operation of the Station specifically listed in Schedule 1.1(d) (the "Contracts and Leases"), to the extent that Buyer, pursuant to Section 1.9, notifies Seller in writing that it wishes to assume any such Contract or Lease.

(e) **Tangible Personal Property.** All tangible property used in the operation of the Station as listed on Schedule 1.1(e).

(f) **Intangible Property.** All goodwill, records, franchise agreements, trademarks, patents, licenses, records and software used in the operation of the Station.

1.2 **Excluded Assets.** Seller will retain any assets not specified in Section 1.1 above, including, cash, cash equivalents, marketable securities, bank deposits, checking, savings and other bank accounts, advances to employees, officers and directors, notes receivable created outside of the ordinary course of business, assets related to its employee benefit plans, insurance contracts, and its governing instruments or other corporate records, documents and identification numbers (collectively "Excluded Assets").

1.3 **Liabilities.** The Station Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature ("Liens"), Buyer shall not assume and undertake any obligations or liability of Seller in connection with the Station Assets (other than with respect to the Leases and Contracts specifically listed in Schedule 1.1(c) that are assumed by Buyer); provided, (a) Buyer at its sole cost and expense shall be obligated to pay all amounts related to the Wagley lease listed on Schedule 1.1(c) whether such amount accrued before or after the Closing; (b) Buyer shall be solely responsible for all amounts payable to [BMI] and [ASCAP] related to the Station Assets whether such sums accrue before or after the Closing and (c) Buyer shall remain responsible for all of its duties, liabilities and obligations under the LMA. Further, Buyer will not hire any of the Station employees and Seller will be responsible for all amounts due or owing to the Employees.

1.4 **Purchase Price.**

(a) **Purchase Price.** The purchase price to be paid for the Station Assets will be the sum of \$82,500.00 payable (i) Eighty-Two Thousand, Five Hundred and 00/100 Dollars (\$82,500.00) (the "Purchase Price"), with the sum of Sixty Thousand and 00/100 Dollars (\$60,000.00) (the "Deposit") to be paid to Seller upon signing of this Agreement, with the balance thereof to be paid in full after Seller applies funds already received from the escrow account associated with the LMA which is in the amount of Twenty-Two Thousand, Five Hundred and 00/100 Dollars (\$22,500.00) plus (ii) the Deferred Purchase Price (as defined in Section 12.8).

(b) **Allocation of Purchase Price.** Allocation of Purchase Price shall be as set forth on Schedule 1.4(b).

1.5 **Prorations.** The Parties agree to prorate the Station's FCC regulatory fees (based on the most recent publicly available information about the cost of such regulatory fees for the Station) as of 11:59 p.m. local time of the day preceding the Closing.

1.6 **Obligations Pursuant to Assumed Contracts and Leases.** Buyer shall be solely responsible for any obligations or liabilities incurred with regard to such of the Leases and Contracts assumed by Buyer from and after the Closing.

1.7 **"As Is"**. Buyer agrees and acknowledges that Seller makes no representation or warranty, whether express or implied, oral or written, with respect to the Station Assets, including, any implied or express warranty of merchantability or fitness for a particular purpose, whether alleged to arise by law, by reason of custom or usage in the trade or by course of dealing.

1.8 **[Intentionally Omitted].**

1.9 **Leases.** Seller has provided Buyer with true and complete copies of all Contracts and Leases. Buyer shall, within thirty (30) days of the date hereof, elect to assume or reject any of the Contracts and Leases of the Closing. Except for such, if any, of the Contracts and Leases designated in writing by Buyer to be assumed, all such Contracts and Leases shall be terminated by Seller at or prior to closing at Seller's sole expense; provided, Buyer shall be obligated to assume the Wagley lease

1.10 **[Intentionally Omitted].**

1.11 **Proration of Income and Expenses.** Except as otherwise provided herein, all expenses arising from Seller's ownership of the Station Assets that are customarily prorated shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles as of 12:01 a.m., Eastern time, on the Closing Date (the "Adjustment Time"), on the basis that all revenues and expenses which accrue prior to the Adjustment Time are for the account of Seller, and all revenues and expenses which accrue after the Adjustment Time are for the account of Buyer. Such prorations shall include, without limitation, all real property, ad valorem, and other property taxes, contract payments, utility charges, business, programming, music and other license fees currently paid by Sellers, FCC annual regulatory fees, and similar prepaid and deferred items attributable to the ownership of the Station or the Station Assets. The prorations and adjustments contemplated by this Section, to the extent practicable, shall be made on the Closing Date to the Purchase Price. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within thirty (30) days following the Closing Date, with payment made by wire transfer of immediately available funds to an account designated by the Party which is to receive such payment. In the event of any disputes between the Parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at such time and such disputes shall be resolved by an independent certified public accountant mutually acceptable to the Parties, and the fees and expenses of such accountant shall be paid one-half by Sellers and one-half by Buyer. The decision of such accountant shall be rendered within ninety (90) days after the Closing and shall be conclusive and binding on the Parties. Notwithstanding the foregoing, Buyer shall remain liable for all of its duties, obligations and liabilities under the LMA.

ARTICLE 2: FCC CONSENT; CLOSING

2.1 **FCC Consent; Assignment Application.** Buyer and Seller shall execute, file, and vigorously prosecute an application to the FCC (the "Assignment Application") requesting the FCC's consent (the "FCC Consent") to the assignment from TRI to Buyer of all FCC

Authorizations pertaining to the Station. The Assignment Application shall be filed not later than twenty (20) days after the date of the execution of this Agreement. Buyer and TRI shall take all reasonable steps to cooperate with each other and with the FCC in order to secure such FCC Consent without delay and to promptly consummate the transaction contemplated in this Agreement in full. Buyer and TRI will split the FCC filing fees. Each party shall be responsible for its own attorney fees. Each party shall be responsible for all of its other costs with respect to the preparation, filing and prosecution of the Assignment Application.

2.2 **Closing Date; Closing Place.** The closing (the "Closing") of the transaction contemplated in this Agreement shall occur on a date (the "Closing Date") which is the last business day in which the FCC Consent shall have become a Final Order (as defined below), subject to the satisfaction of waiver of the other conditions set forth in Articles 7 and 8 hereof; and Seller and Buyer agree to cooperate to the extent necessary to obtain the FCC's extension of the effectiveness of the FCC Consent as may be required. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an FCC assignment application, and such consent shall not have been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which action no timely request for stay, petition for rehearing, petition for reconsideration, application for review, or notice of appeal is pending, and as to which the times for filing any such request, petition, application, notice, or appeal, or for reconsideration or review by the FCC on its own motion, shall have expired. The Closing shall be held by exchange of documents via facsimile or email, or as Seller and Buyer may otherwise agree. The condition that the FCC approval becomes a Final Order may be waived in Buyer's sole discretion. Notwithstanding the foregoing, if the Closing has not occurred on or before December 31, 2012, for any reason other than the default by Seller hereunder, Seller may terminate this Agreement and retain the Deposit (subject to Section 2.3).

2.3 **Failure to Obtain FCC Consent.** In the event the FCC Consent is not obtained through no fault of Buyer, after Buyer submits application and provides all necessary information and requested documentation to the FCC, the Seller shall retain a portion of the purchase price constituting \$10,000 plus the escrow fees. In the event the FCC, following a good faith diligent effort by Buyer to obtain such approvals, does not approve Buyer's application, Seller shall refund fifty thousand dollars (\$50,000) to Buyer which will terminate this Agreement.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer:

3.1 **Organization and Authorization.** Seller is a North Carolina corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina. Seller has the power and authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby on Seller's part, have been duly and validly authorized by Seller, and no other proceedings on the part of Seller are necessary to authorize the execution and delivery of, or the performance of Seller's obligations under, this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller. This Agreement constitutes the legal, valid, and binding obligation of Seller enforceable in accordance with its terms, except as may be

limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

3.2 **No Defaults.** The execution, delivery, and performance of this Agreement by Seller will not (i) constitute a violation of, or conflict with, Seller's articles of incorporation, bylaws, or other similar organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to the Station and to which Seller or any of the Station Assets may be subject, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Seller or any of the Station Assets, (iv) result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the Station Assets, or (v) require the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent.

3.3 **FCC Authorizations.** Schedule 1.1(b) contains a true and complete list of the FCC Authorizations and other licenses, permits and governmental authorizations and approvals which are required for the lawful operation of the Station. Seller is the duly authorized holder of the FCC Authorizations, all of which are in full force and effect. Except as provided in Schedule 1.1(b), there are no applications or proposals pending before or approved by the FCC that would change the Station's community of license or result in any other material change to the operations of the Station or the FCC Authorizations. The FCC Authorizations have been issued for the full terms customarily issued to a broadcast radio station in the state of license. Seller is in material compliance with each of the FCC Authorizations. There are no investigations, proceedings, or material complaints pending or, to Seller's knowledge, threatened, at the FCC which might adversely affect the business or operations of the Stations, or might materially impair its ability to assign the FCC Authorizations to Buyer or which would materially impede its ability to prosecute the Assignment Application or seek the grant of the FCC Consent, other than proceedings of a rule making nature intended to affect substantial segments of the industry generally. All reports and fees required to be filed or paid by Seller for the Station with the FCC have been timely filed and paid and all such reports are materially accurate. Such items as are required to be placed in the Station's local public records files have been timely placed in such file and all proofs of performance and measurements that are required to be made by it with respect to the Station's transmission facilities have been timely completed and are on file at the Station.

3.4 **Title Documents.** The instruments to be executed by Seller and delivered to Buyer at the Closing, conveying the Station Assets to Buyer, will transfer good and marketable title to the Station Assets, free and clear of all Liens (excluding any liens created by Buyer pursuant to the LMA).

3.5 **Litigation; Compliance with Law.** Except as otherwise set forth herein, Seller is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the Station Assets or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and to Seller's knowledge no such proceeding is pending. There is no material litigation pending by or against, or, to Seller's knowledge, threatened against, Seller which relates to the Station. Seller, with respect to the Station, have complied in all material

respects with all applicable laws, regulations, orders, or decrees. The present uses by Seller of the Station Assets do not violate any such laws, regulations, orders, or decrees in any material respect, and Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

3.6 **Approvals and Consents.** The execution, delivery and performance by Seller of this Agreement and the consummation of the transaction contemplated hereby will not require any consent, permit, license or approval of any person, entity or government or regulatory authority other than the FCC Consent.

3.7 **Taxes.** Seller has duly, timely, and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll, and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies, and losses required to be paid. To Seller's knowledge, no event has occurred which could impose upon Buyer any liability for any taxes, penalties, or interest due or to become due from Seller from any taxing authority.

3.8 **Station Assets.** The Station Assets constitute all of the assets reasonably necessary for the operation of the Station.

ARTICLE 4: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller:

4.1 **Organization and Authorization.** Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State California. Buyer has the power and authority to execute and deliver this Agreement, and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize the execution and delivery of, or the performance of Buyer's obligations under this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer. This Agreement constitutes the legal, valid, and binding agreement of Buyer enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

4.2 **No Defaults.** The execution, delivery, and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of incorporation or bylaws of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to Buyer or its business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which requisite waivers or consents have been obtained and delivered to Sellers, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent.

4.3 **Buyer's Qualification.** Upon satisfaction of the conditions precedent to Closing set forth in Articles 7 and 8 below, Buyer will be legally, financially, and technically qualified to acquire, and to become the FCC licensee of, the Station and to perform its obligations under this Agreement.

4.4 **Litigation.** Buyer is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of Buyer or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or, to the knowledge of Buyer, or threatened against Buyer, that would prevent or materially impede the consummation by Buyer of the transaction contemplated by this Agreement.

ARTICLE 5: COVENANTS OF SELLER

The following terms of this Article 5 shall apply from the Effective Date until the earlier of the Closing or termination of this Agreement:

5.1 **FCC Compliance.** Subject to the terms of the LMA, Seller shall continue to operate and maintain the Station in accordance in all material respects with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC regulations and published policies. Seller will not file any application to the FCC requesting authority to modify the Station's facilities without Buyer's prior written consent which shall not be unreasonably withheld and Seller shall take all actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect.

5.2 **Disposition of Station Assets.** Seller shall not, other than in the ordinary course of business, without the prior written consent of Buyer, which shall not be unreasonably withheld, sell, lease, or transfer, or agree to sell, lease, or transfer, any of the Station Assets without replacement thereof with an asset of equivalent kind, condition, and value that satisfies industry standards for such assets, nor create any new Lien on the Station Assets.

5.3 **Compliance with Law.** Seller shall comply in all material respects with all applicable federal, state, and local laws, rules and regulations in connection with the operation of the Station.

5.4 **Consummation of Agreement.** Seller shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

ARTICLE 6: COVENANTS OF BUYER

Buyer covenants and agrees that from the Effective Date until the earlier of the Closing or the termination of this Agreement:

6.1 **Representations and Warranties.** Buyer shall give detailed written notice to Sellers promptly upon learning of the occurrence of any event that would cause or constitute a breach or would have caused a breach had such event occurred or been known to Buyer prior to the date hereof, of any of the representations and warranties of Buyer contained in this Agreement. Buyer shall use commercially reasonable efforts to cure any such event.

6.2 **Consummation of Agreement.** Buyer shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

ARTICLE 7: CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date. Upon the Closing, each such condition shall be deemed to have been satisfied or waived.

7.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Buyer contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct, except to the extent changes are permitted or contemplated pursuant to this Agreement.

(b) Buyer shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

7.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) restraining or prohibiting the consummation of the transaction contemplated hereby.

7.3 **FCC Authorizations.** The FCC Consent has been issued by the FCC.

7.4 **Deliveries.** Buyer has complied with each and every one of its obligations set forth in Section 9.2.

ARTICLE 8: CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date. Upon the Closing, each such condition shall be deemed to have been satisfied or waived.

8.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Seller contained in this Agreement was true and correct as of the date when made and is deemed to be made again on

and as of the Closing Date and is then true and correct, except to the extent changes are permitted or contemplated pursuant to this Agreement.

(b) Seller shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

8.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) restraining or prohibiting the consummation of the transaction contemplated hereby.

8.3 **FCC Authorizations.** The FCC Consent has been issued and shall have become a Final Order.

8.4 **Deliveries.** Seller has complied with each and every one of the obligations set forth in Section 9.1.

8.5 **Liens.** Except for such Liens that will be released and satisfied at or prior to Closing, no Liens are to be filed or recorded against the Station Assets in the public records of any jurisdiction in which the Station Assets are located, and, between the date hereof and the Closing, except with Buyer's prior written consent, Seller shall not grant or consent to any such Lien.

8.6 **No material change in Assets.** There shall have been no changes in the condition of, or status of title to, any of the Station Assets.

8.7 **Consents.** All necessary consents, in form and content reasonably satisfactory to Buyer, in connection with the assignment of such of the Contracts and Leases that Buyer has elected to assume shall have been obtained without cost to Buyer.

8.8 **Liabilities.** Seller shall have satisfied all of their liabilities and obligations, including payment of all wages and benefits to their employees, through the date of the Closing.

ARTICLE 9: ITEMS TO BE DELIVERED AT CLOSING

9.1 **Deliveries by Seller.** At Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) Intentionally Deleted.

(b) a bill of sale and assignments and assumption agreement duly executed by TRI sufficient to sell, convey, transfer and assign the Station Assets (including the FCC Authorizations but excepting the Contracts and Leases) to Buyer free and clear of any Liens, in a form reasonably acceptable to Buyer and TRI (the "Bill of Sale and Assignment");

(c) an Assignment and Assumption Agreement duly executed by TRI with respect to the Contracts and Leases in a form reasonably acceptable to Buyer and TRI (the "Assignment and Assumption Agreement");

(d) certified copies of appropriate resolutions, duly adopted, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Sellers of this Agreement, and the consummation of the transaction contemplated hereby;

(e) a certificate dated as of the Closing Date and duly executed by an officer of Seller to the effect that the conditions set forth in Section 8.1 have been satisfied; and

(f) any and all other documents reasonably requested by Buyer to fully consummate the Closing.

9.2 **Deliveries by Buyer.** At the Closing, Buyer shall deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

(a) the payment of the Purchase Price in accordance with Section 1.4;

(b) the Bill of Sale and Assignment;

(c) the Assignment and Assumption Agreement;

(d) certified copies of resolutions, duly adopted, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Buyer of this Agreement, and the consummation of the transaction contemplated hereby; and

(e) a certificate dated as of the Closing Date and duly executed by an officer of Buyer to the effect that the conditions set forth in Section 7.1 have been satisfied.

(f) the Note as attached in Schedule 1.4(a)

ARTICLE 10: SURVIVAL AND INDEMNITY

The rights and obligations of Buyer and Seller under this Agreement shall be subject to the following terms and conditions:

10.1 **Survival of Representations and Warranties.** The representations and warranties of Buyer and Seller contained in this Agreement shall survive the Closing for one (1) year from the Closing Date. Neither Seller nor Buyer shall have any liability whatsoever with respect to any representation or warranty unless a claim is made hereunder or an action at law or in equity is commenced prior to expiration of the 1-year survival period for such representation or warranty.

10.2 **General Agreement to Indemnify.**

(a) Seller on the one hand, and Buyer on the other hand, shall indemnify, defend and hold harmless each other and any employee, representative, agent, director, officer, affiliate or permitted assign of each other (each, an "Indemnified Party") from and against any and all claims, claims, actions, suits, proceedings, liabilities, obligations, losses and damages,

amounts paid in settlement, diminution of value, interest, costs and expenses (including reasonable attorneys' fees, court costs and other out-of-pocket expenses incurred in investigating, preparing or defending the foregoing) (collectively, "Losses") asserted against, incurred or suffered by any Indemnified Party as a result of, arising out of or relating to: (i) the failure of any representation or warranty of the Indemnifying Party made in the Agreement to have been true and correct when made or as of the Closing Date as though such representation or warranty were made at and as of the Closing Date; or (ii) the breach by the Indemnifying Party of any covenant or agreement of such party contained in this Agreement or any collateral agreement to the extent not waived by the other party hereto.

(b) Excluding such obligations of Seller to be assumed by Buyer pursuant to the terms hereof or which are the duty, liability or responsibility of Buyer under the LMA, Seller further agrees to indemnify and hold harmless Buyer and any other Indemnified Party of Buyer from and against any Losses asserted against, incurred or suffered by Buyer or any other Indemnified Party of Buyer arising out of, resulting from, or relating to the operation of the Station and ownership of the Station Assets prior to the Closing.

(c) Buyer further agrees to indemnify and hold harmless Seller and any other Indemnified Party of Seller from and against any Losses asserted against, incurred or suffered by Seller or any other Indemnified Party of Seller arising out of, resulting from, or relating to the operations of the Station and the Station Assets after the Closing (but expressly excluding any liability for any Contracts and Leases not assumed by Buyer).

(d) A Party shall have no liability for losses until the aggregate amount of losses incurred exceeds Five Thousand and 00/100 Dollars (\$5,000.00), in which event such Party shall be entitled to the entire amount of losses up to a maximum of One Hundred Thousand and 00/100 Dollars (\$100,000.00).

10.3 **General Procedures for Indemnification.**

(a) The Indemnified Party seeking indemnification under this Agreement shall promptly notify in writing the party or parties against whom indemnification is sought (the "Indemnifying Party") of the assertion and basis of any claim, or the commencement and basis of any action, suit or proceeding by any third party in respect of which indemnity may be sought hereunder (a "Third Party Claim") and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but failure to give such notice shall not relieve the Indemnifying Party of any liability hereunder (unless the Indemnifying Party has suffered material prejudice by such failure). The Indemnifying Party shall have the right, but not the obligation, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of a Third Party Claim, to assume the defense and control the settlement of such Third Party Claim that involves (and continues to involve) solely money damages. Failure by the Indemnifying Party to so notify the Indemnified Party shall be deemed a waiver by the Indemnifying Party of its right to assume the defense of such claim.

(b) Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

(c) The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim that the other is defending, as provided in this Agreement.

(d) The Indemnifying Party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, shall not consent to, or enter into, any compromise or settlement of, or consent to the entry of any judgment arising from, any such Third Party Claim (which compromise, settlement, or judgment: (i) commits the Indemnified Party to take, or to forbear to take, any action; or (ii) does not provide for a complete release by such Third Party of the Indemnified Party) without the Indemnified Party's prior written consent. If the conditions set forth herein are met but the Indemnified Party refused to settle any Third Party Claim, the Indemnifying Party may tender the settlement amount and be relieved of further liability.

(e) The Indemnifying Party shall not be entitled to require that any action be brought against any other person before action is brought against it hereunder by the Indemnified Party, but shall be subrogated to any right of action to the extent that it has paid or successfully defended against any Third Party Claim.

ARTICLE 11: TERMINATION

11.1 **Termination.** This Agreement may be terminated at any time prior to Closing:

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

(b) by written notice of Seller to Buyer if Buyer: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Buyer on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Buyer's representations or warranties; or (iii) defaults in any material respect in the performance of any of Buyer's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;

(c) by written notice of Buyer to Seller if Seller: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Seller on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Seller's representations or warranties; or (iii) defaults in any material respect in the performance of any of Seller's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable; and

(d) by written notice of any Party to the others if the Closing has not occurred within nine (9) months from the date hereof.

11.2 **Cure Period.** The term “Cure Period” as used herein means a period commencing with the date that Buyer or Seller receives from the other Party written notice of breach or default hereunder and continuing until fifteen (15) days thereafter; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Except as set forth below, the termination of this Agreement shall not relieve any Party of any liability for breach or default under this Agreement prior to the date of termination.

11.3 **Liability; Right to Terminate.** A termination of this Agreement shall not relieve any Party hereto of any liability for which it otherwise would be subject. Notwithstanding anything in this Agreement to the contrary, no Party that is in material breach of this Agreement shall be entitled to terminate this Agreement except with the written consent of the other Party.

11.4 **Specific Performance.** Seller acknowledge that the Station is a unique asset not readily obtainable on the open market and that, in the event that Seller fail to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller’s failure to perform their obligation to consummate the transaction contemplated hereby, Buyer shall have the remedy of specific performance of the terms of this Agreement and of Seller’s obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Seller shall waive any defense that there is an adequate remedy at law.

ARTICLE 12: MISCELLANEOUS

12.1 **Governing Law.** The construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of California (exclusive of those relating to conflicts of laws). Any action at law, suit in equity or judicial proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from this Agreement, or any provision hereof, shall be litigated only in the courts of the State of California. The Parties hereby consent to the personal and subject matter jurisdiction of such courts and waive any right to transfer or change the venue of any litigation between them.

12.2 **Expenses.** Subject to Section 2.1, each Party hereto shall bear all of its expenses incurred in connection with the transaction contemplated by this Agreement, including without limitation, accounting, engineering and legal fees incurred in connection herewith. All other closing costs will be allocated per local custom.

12.3 **Entire Agreement; Amendment; No Waiver.** This Agreement, including the schedules and exhibits hereto, contain the entire agreement and understanding by and between the Parties, and no other representations, promises, agreements, or understanding, written or oral, not contained herein shall be of any force or effect. This Agreement may only be amended in a writing signed by the Parties. No oral agreement shall have any effect. No failure or delay in exercising any right hereunder shall be deemed or construed to be a waiver of such right, either prospectively or in the particular instance. This Agreement has been prepared by all of the Parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any Party hereto.

12.4 **Confidentiality.** Buyer and Seller shall keep confidential all information obtained by it with respect to the other Parties in connection with this Agreement, except where such information is known through other lawful sources or where its disclosure is required in accordance with applicable law, including requirements of the FCC pursuant to the Assignment Application. If the transaction contemplated hereby is not consummated for any reason, Buyer and Seller shall return to each other, without retaining a copy thereof in any medium whatsoever, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transaction contemplated hereby.

12.5 **Public Announcements.**

(a) Prior to the Closing Date, no Party shall, without the approval of the other Party hereto, make any press release or other public announcement concerning the transaction contemplated by this Agreement, except (i) to announce that the transaction has been entered into, and (ii) as and to the extent that such Party shall be so obligated by law, in which case such Party shall give advance notice to the other Party and the Parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

(b) Notwithstanding the foregoing, the Parties acknowledge that the rules and regulations of the FCC require that local public notice of the transaction contemplated by this Agreement be made after the Assignment Application has been filed with the FCC.

12.6 **Risk of Loss.** The risk of loss to any of the Station Assets on or prior to the Closing shall be upon Seller.

12.7 **Successors and Assigns.** Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective representatives, successors and assigns. Seller may not assign this Agreement or any part hereof without the prior written consent of Buyer, which shall not be withheld unreasonably, and any attempted assignment without such consent shall be void. Buyer may not assign this Agreement or any part hereof without the prior written consent of Seller, which shall not be withheld unreasonably. In the event of any assignment of this Agreement, the assignee shall enter into a written agreement accepting joint and several liability for all obligations under this Agreement.

12.8 **Contingent Due on Sale Clause.** In the event Buyer sells the Station (directly or indirectly, including by a sale of the ownership interests in Buyer) within five (5) years after Closing, Buyer shall report such sale to Seller and shall be obligated to pay to Seller a sum equal to the lesser of (i) \$500,000.00 or (ii) one-half (1/2) of the amount of the purchase price in excess of one-hundred thousand dollars (\$100,000.00) (the "Deferred Purchase Price"). For purposes of clarification and example, if Buyer sells the Station within two years after Closing for two hundred and fifty thousand dollars (\$250,000), Buyer will report the sale to Seller and remit seventy-five thousand dollars (\$75,000) to Seller. This is equivalent to the hypothetical two hundred and fifty thousand dollar purchase price, less one hundred thousand dollars retained by Buyer, splitting the one hundred and fifty thousand dollar excess evenly between Buyer and

Seller in the amount of seventy-five thousand dollars each (\$250,000 purchase price - \$100,000 to Buyer = \$150,000/2 = \$75,000 to Buyer and \$75,000 to Seller).

12.9 **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

If to Buyer, then to:

Tahoe Truckee Radio, LLC
12185 Sierra Drive
Truckee, CA 96161
Email: jdhoss@sbcglobal.net
ATTN: Joel Depaoli

and to (which shall not constitute notice):

Law Offices of F. Edie Mermelstein
17011 Beach Blvd., Suite 900
Huntington Beach, CA 92647
Email: Edie@FEMLawyers.com
ATTN: Edie Mermelstein

If to Seller, then to:

Todd Robinson, Inc.
2307 Princess Ann Street
Greensboro, NC 27408
Email: CottonBay@aol.com
Attn: Todd P. Robinson

and to (which shall not constitute notice):

Blanco, Tackabery & Matamoros, PA
P.O. Drawer 25008
Winston-Salem, NC 27114
Email: geh@blancolaw.com
Attn: George E. Hollodick

Any Party may change the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

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

12.10 **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein, or its application to any particular circumstance shall, for any reason, be held to be invalid or unenforceable by a court of competent jurisdiction, such provision or such application shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without invalidating the remainder of such provision or any other provisions hereof, or its application in any other circumstance, unless such a construction would be unreasonable, and without invalidating such provision or its application in any other jurisdiction.

12.11 **Facsimile; Counterparts.** This Agreement may be executed by facsimile or email transmission and in counterparts, each of which shall constitute an original but together will constitute a single document.

12.12 **Lawsuits.** Subject to the provisions of Section 11.4, in any action brought at law or in equity to enforce the terms of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all actual out-of-pocket litigation costs and expenses, including reasonable attorneys fees incurred in connection with such action.

12.13 **Bulk Sales.** Buyer waives compliance by Seller with any applicable Bulk Sales Act or similar law.

12.14 **Re-Engineering.** Buyer agrees to cooperate with Seller (at no expense to Buyer) on Seller's re-engineering of two other signals. Seller represents that the re-engineering will not have a material adverse effect on the Station.

[Signatures Appear on Following Page]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER:

TODD ROBINSON, INC

By: 

Name: Todd P. Robinson

Title: President

BUYER:

TAHOE TRUCKEE RADIO, LLC

By: 

Name: Joel Depaoli

Title: Managing Member

Schedule 1.1(b)
FCC & Other Governmental Authorizations

<u>Authorizations</u>	<u>File Number</u>	<u>Expiration Date</u>
KTKE License Renewal		
STL License		

Schedule 1.1(d)
[List of Contracts and Leases]

SELLER TO PROVIDE

Schedule 1.1(e)
[List of Tangible Property]
SELLER TO PROVIDE

Schedule 1.4(b)
[Allocation of Purchase Price]

Site Improvements	\$ 5,000
Equipment	\$ 5,000
Licenses	\$ 22,500
Goodwill	\$50,000
TOTAL:	<u>\$82,500.00</u>