

Binding Term Sheet
February, 21, 2018
Sale of KCBR-AM, K239CH and associated assets

1. Seller- United States CP, LLC (a Delaware LLC managed by Todd Robinson)
2. Buyer- SGMK Communications, Ltd., a Colorado LLC majority-owned by Michael Knar, a resident of Colorado. Knar will be the controlling shareholder of Buyer
3. Assets- KCBR-AM, K239CH; equipment used by KCBR-AM, and K239CH
Assets sold via Bill of Sale. All assets being sold "as-is"
4. Purchase Price- Initially, \$350,000 paid as follows:
 - a. \$2,500 deposit paid within 3 days of the execution of this Binding Term Sheet.
 - b. \$22,500 deposit paid by wire to Seller by March 31, 2018
 - c. \$25,000 additional cash paid at closing
 - d. \$300,000 Seller Note; Security for Note will be the Assets as well as full corporate guaranty; Additional security in the form of pledge of ownership interests of Buyer; Rate will be Prime + 2%; paid monthly via wire or EFT on a 15 year amortization; due in 5 years. Personal guaranty from Michael Knar for \$50,000. \$50,000 note payment due 18 months after closing.
 - e. An additional \$100,000 will be added to the Note due from Buyer to Seller upon Buyer's successful completion of "Upgrade 1"
 - f. An Additional \$200,000 will be added to the Note due from Buyer to Seller upon Buyer's successful completion of "Upgrade 2"
 - g. Issuance of (i) a warrant granting to Seller a right for a period of eleven (11) years following the Closing, to acquire a ten percent (10%) equity and voting interest in Buyer at a purchase price of \$25,000.00 and (ii) a right, for a period of eleven (11) years following the Closing, to acquire an additional ten percent (10%) equity and voting interest in Buyer in exchange for \$50,000.00. These warrants, if

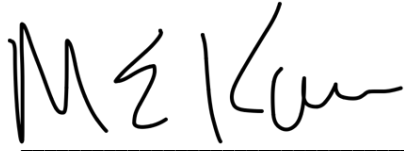
exercised, will be passive and only protect Seller from further dilution

- 5. Contingencies- FCC approval
- 6. Tower leases- Buyer to negotiate new AM tower lease with Vic Michael's company (for KCBR-AM). Buyer to assume or cancel the Zoo Lease for K239CH OR lease from Vic Michael's new/better site)
- 7. Closing- within 10 days of FCC approval
- 8. Brokers- no brokers involved and no brokerage fee due anyone.
- 9. LMA- Buyer will continue to LMA the Assets from Seller while waiting for closing.

AGREED:



United States CP, LLC
By: Todd P Robinson, Manager



SGMK Communications, Ltd.
By: Michael Knar, President