

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the “Agreement”) is entered into as of the ____ day of October, 2014, by and between Advanced Modulation Broadcasting, LLC, a Wyoming Limited Liability Company, and Cedar Cove Broadcasting, Inc., a Colorado Not-for Profit Corporation (“Sellers”) and 4-K’s, LLLP, a Colorado Limited Liability Partnership (“Buyer”).

Background

WHEREAS, Advanced Modulation Broadcasting, LLC is the licensee (BMML-20140131ART) of KDCO(AM) Golden, Colorado, (Facility ID No. 161314) and Cedar Cove Broadcasting, Inc. is the licensee (BLFT-20140303ABG) of K231BQ Golden, Colorado (Facility ID No. 142150), (the “Stations”) with the Federal Communications Commission (“FCC”); and

WHEREAS, subject to the FCC consents, Sellers wishes to sell to Buyer the Licenses and certain other assets relating thereto, and Buyer wishes to receive the same from Sellers.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations and covenants contained herein, the parties, intending to be bound legally, subject to the terms and conditions set forth herein agree as follows:

1. Assignment and Sale of Licenses.

a. Subject to the terms and conditions set forth in this Agreement, Sellers agrees to convey, transfer and assign to Buyer at the Closing (as defined in Section 3) all of Sellers’s right, title and interest in and to the Licenses for the Stations (copies of which are annexed hereto in Schedule 1). Other than Sellers’ rights in and to the Stations’ call letters, the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the KDCO local public files, and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence and sales list, lists of advertisers, credit and sales reports, and logs and those assets listed on Schedule 9(k), there are no other assets relating to the Stations being sold. The Licenses, the Tower Site Leases (defined below) the foregoing assets and the assets on Schedule 9(k) are collectively referred as the “Assets”.

b. Buyer shall pay Sellers FIVE HUNDRED AND FIFTY THOUSAND DOLLARS (\$550,000.00) (the “Purchase Price”) for the Stations according to the following schedule:

1. At Closing, Buyer shall pay to Sellers the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) by bank cashier’s check.

2. Upon execution of this agreement, Buyer shall pay to Escrow Agent by wire transfer of immediately available funds a deposit of FIFTY THOUSAND DOLLARS (\$50,000.00) (the “Deposit”). The deposit shall be held and distributed in accordance with the terms of the Escrow Agreement between Sellers, Buyer and Escrow Agent in

substantially the form attached as Exhibit A. This Deposit will be non-refundable except (i) in the event the FCC Consents do not become Final Orders within one year from the date of the filing of the Assignment Applications, *and* that the delay of the FCC Consents are not caused by the fault of the Buyer, or (ii) in the event that Sellers fail or refuse to close or a delay of the FCC Consents within one year of the date of this Agreement is the result or fault of Sellers in any way in which events the Deposit and any accrued interest shall be returned to Buyer.

3. At Closing, Buyer shall deliver to Sellers a promissory note in a form satisfactory to Sellers for FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00). The promissory note shall obligate Buyer to pay to Sellers equal monthly installments based on a thirty year amortization schedule at an interest rate of Eight (8%) percent, APR, and shall further provide for waiver of notice and presentment, for acceleration on default of any payment and a default interest rate of twelve (12%) percent, and Sellers' attorney's fees in the event Seller's successfully sue to enforce. A "Balloon" payment for the entire remaining principle balance owed on the promissory note will be made no later than One Hundred and Twenty (120) Months after the Closing date. There will be no interest penalty for an early pre-payment of the promissory note. A Security Agreement in a form satisfactory to Sellers will also be entered into in conjunction with this promissory note. A promissory note and security agreement, substantially in the forms attached as schedule 2 and schedule 3, shall be delivered at Closing.

4. It is mutually agreed between Buyer and Sellers that allocation of the total purchase price will be evenly divided and distributed between Advanced Modulation Broadcasting, LLC and Cedar Cove Broadcasting, Inc., or TWO HUNDRED AND TWENTY FIVE THOUSAND DOLLARS (\$225,000.00) for each entity.

2. **FCC Consent.** Within seven (7) business days of the execution of this Agreement, the parties shall file applications (the "Assignment Applications") for FCC consent to the assignment of the Licenses (the "FCC Consents"). Each party shall be responsible for its own costs relating to the preparation of the Assignment Application. Buyer and Sellers agree to proceed expeditiously and with due diligence to use their best efforts to cooperate with each other in seeking the FCC's approval of the transaction contemplated herewith. The FCC filing fees for the assignment applications shall be shared equally by Buyer and Sellers.

3. **Closing.** Within ten (10) business days after the FCC Consents has become a Final Order, the parties shall consummate the transaction contemplated by this Agreement at a closing (the "Closing"). At the Closing, each of the Sellers shall deliver to Buyer a Bill of Sale and an Assignment of Licenses, executed consents and estoppels from each lessor of the Tower Site Leases, and any other documents of conveyance reasonably requested by Buyer and necessary to consummate the transaction contemplated by this Agreement. At Closing shall deliver the executed promissory note and security agreement and any other documents of conveyance reasonably requested by Sellers. Buyer may elect to consummate this transaction prior to the FCC Consents becoming a Final Orders and Sellers shall cooperate with Buyer if the Closing is accelerated. If the Closing occurs prior to the FCC Consents becoming a Final Orders, and the FCC Consents are reversed or otherwise set aside, and there /are a Final Order(s) of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Sellers, then the purchase and sale of the Assets shall be rescinded. In such event, Buyer shall re-convey to Sellers the Assets, and Sellers shall repay to Buyer the Purchase Price and reassume

any contracts and leases assigned and assumed at Closing. Final Order means a written action or order issued by the FCC, setting forth the FCC Consent and (a) which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and (b) with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration, appeal or stay, and the time for filing any such requests and for the FCC to set aside the action on its own motion has expired, or (ii) in the event of review, reconsideration or appeal, that does not result in the FCC Consent being reversed, stayed, enjoined, set aside, annulled or suspended, and the time for further review, reconsideration or appeal has expired.

4. Pre-Closing Covenants. Should Buyer wish to modify the Licenses prior to Closing, Sellers will cooperate in the filing of such applications in Sellers' names and accounts or provide written permission to Buyer for filing with the FCC, as necessary; however, Buyer shall be responsible for the payment of all legal and engineering costs associated with such filings. Sellers shall operate the Stations the ordinary course in accordance with the Licenses, keep the Assets in good operating condition and repair, not without Buyer's prior written consent sell, lease or dispose of any of the Assets or create or permit to exist any liens or encumbrances on any of the Assets or, except as provided in this Agreement, modify the Licenses or amend or modify the Tower Site Leases. The parties will cooperate fully with each other in fulfilling their respective obligations under this Agreement, including using their respective reasonable best efforts to obtain the required FCC Consents. Consistent with FCC rules, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Sellers as the holders of the Licenses. The risk of loss of or damage to any of the Assets shall remain with Sellers at all times until 12:01 a.m. local time on the day of Closing, and prior to Closing Sellers shall repair and replace any lost or damaged Assets.

5. Conditions Precedent to Closing.

(a) The parties acknowledge and agree that the FCC Consents to the assignment of the Licenses from Sellers to Buyer is a condition precedent to the Closing.

(b) Prior to Closing Sellers' principal Vic Michaels or the entity owned by Michaels that owns the tower from which K231BQ operates shall enter into a long term lease with Buyer for use of such tower on terms mutually agreeable to Michaels and Buyer (the "K231BQ Tower Lease").

(c) There shall have been no material adverse change in the business or operation of the Stations since the date of this Agreement. For purposes of this Agreement, "Material Adverse Change" shall mean any material adverse effect on the business, results of operations or financial condition of the Stations or the Assets, taken as a whole, or the ability of Sellers or either of them to consummate the contemplated transactions, other than changes relating to changes in generally applicable economic conditions in the United States or in the radio broadcasting industry or (b) resulting from the announcement of this Agreement or the consummation of the transactions contemplated hereby. Any change in the finances or operations of the Station resulting from actions of Buyer between the date hereof and the Closing shall not be deemed Material Adverse Changes.

6. Representations and Warranties. Each Seller and Buyer, respectively, represent and warrant that (i) it is duly organized and in good standing in the jurisdiction in which it is organized and is qualified to do business in each jurisdiction in which any of the Assets are located; (ii) it has the full power and authority to enter into and execute this Agreement; (iii) the execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Sellers and Buyer and do not require any further authorization or consent of any party or approval or authorization, or filing with, any third party or any court or governmental authority except the FCC; (iv) this Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Sellers and Buyer respectively enforceable in accordance with their respective terms; (v) subject only to the FCC Consents, there is no constraint upon any party's legal ability to perform its responsibilities hereunder; and (vi) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Sellers or Buyer or any party acting on behalf of Sellers or Buyer. Sellers represent and warrant to Buyer that (i) the Licenses were validly issued by the FCC, that they are in full force and effect, that they constitute all of the authorizations issued by the FCC in connection with the AM station and FM translator station and are not subject to any restriction or condition that would limit the operation of the Stations, other than such restrictions or conditions to which similar facilities are routinely subject or that are set forth in the Licenses; (ii) there is not pending or, to Sellers' knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify (except as provided for in this Agreement) any of the Licenses (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending or, to Sellers' knowledge, threatened against either of the Sellers or either of the Stations by or before the FCC. Sellers and the Stations are in compliance in all material respects with the Licenses, the Communications Act and the rules, regulations and policies of the FCC; and the Stations are operating at full power in accordance with its respective FCC licensed parameters, the rules and regulations of the FCC and applicable FAA rules and regulations; that all required annual regulatory fees have been timely paid and all reports and filings required to be filed with the FCC with respect to the Stations have been timely filed and are accurate and complete; (iii) the Assets shall be conveyed free and clear of any claims or encumbrances of any kind or nature; (iv) all of the tangible personal property included in the Assets is in good operating condition and repair (ordinary wear and tear excepted), is free from material defect or damage, is functioning in the manner and purposes for which it was intended and has been maintained in accordance with industry standards; (v) Sellers have good and marketable title to the Assets, free and clear of liens, claims or encumbrances of any kind or nature.

7. Indemnification.

(a) From and after Closing, Sellers shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from: (i) any breach by either of the Sellers of its representations and warranties under this Agreement; (ii) any default by either of the Sellers of its covenants and agreements under this Agreement; (iii) without limiting the foregoing, the business or operation of the Stations prior to Closing (including any third party claim arising from such operations).

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Sellers from and against any and all Damages incurred by Sellers arising out of or resulting from: (i) any breach by Buyer of its representations and warranties under this Agreement; (ii) any default by Buyer of its covenants and agreements under this Agreement; (iii) without limiting the foregoing, the business or operation of the Stations after Closing (including any third party claim arising from such operations).

(c) **Procedures.** (i) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by a third party that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. (ii) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably satisfactory to the parties. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost. (iii) Notwithstanding anything herein to the contrary: (A) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of any Claim, and shall have the right to consult with the indemnifying party and its counsel concerning any Claim, and the indemnifying party and the indemnified party shall cooperate in good faith with respect to any Claim; and (B) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include a release of the indemnified party from all liability in respect of such Claim.

8. Termination. This Agreement may be terminated at any time prior to the Closing as follows:

a. by mutual written consent of Buyer and Sellers at anytime or by either Buyer or Sellers if FCC Consents have not become a Final Orders within twelve (12) months of the date on which Assignment Applications are filed; or

b. by written notice from a party that is not then in material breach of this Agreement if the other party has failed to cure its material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) days after receipt of written notice of such breach from the party not in material breach; or

9. Effect of Termination.

a. If this Agreement is terminated by the parties pursuant to Section 7(a) then neither party shall have any further liability to the other, and this Agreement shall be deemed null and void and of no further force and effect.

b. If this Agreement is terminated by Sellers pursuant to Section 7(b), Sellers shall be entitled to payment of FIFTY THOUSAND DOLLARS (\$50,000.00) as liquidated

damages. In the event this Agreement is terminated by Buyer pursuant to Section 7(b), Buyer's sole remedy shall be specific performance. Sellers acknowledges that assessment of damages would be difficult or impossible to determine and that specific performance is an appropriate remedy.

10. Miscellaneous.

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

If to Buyer:

Gregory Merilatt
4-K's, LLLP
1713 Whistlepig Lane
Broomfield, Colorado 80020

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

Kathleen Victory, Esq.
Fletcher Heald & Hildreth, PLC
1300 17th Street N, 11th Floor
Arlington, VA 22209

If to Sellers:

Victor A. Michael, Jr., Member
Advanced Modulation Broadcasting, LLC
87 Jasper Lake Road
Loveland, CO 80537

And to:

Victor A Michael, Jr., President
Cedar Cove Broadcasting, Inc.
87 Jasper Lake Road
Loveland, CO 80537

Each party may change its address for notice purposes by providing written notice in accordance with this Section.

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

which is owned and controlled by the same entity which owns and controls Buyer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

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

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

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

f. No Waiver. No provision or condition of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.

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

h. Good Faith. All parties hereto shall act with reasonable diligence, and in good faith, in performing and discharging their respective duties and obligations hereunder.

i. Headings and Cross References. Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross references to sections herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context.

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

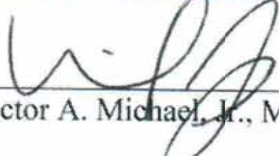
k. Contracts. Buyer agrees to accept and Sellers agree to assign all rights and obligations under a certain tower site ground lease for KDCO(AM) Golden, CO, with Mountain Plains Industrial Center, LLC (the "KDCO Tower Lease"). Collectively, the KDCO Tower Lease and the K231BQ Tower Lease referenced above, the "Tower Site Leases".

--SIGNATURE PAGE FOLLOWS--

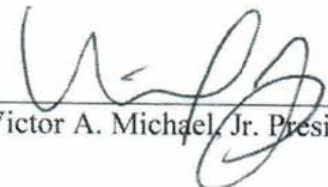
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above

SELLERS:

ADVANCEDMODULATION BROADCASTING, LLC

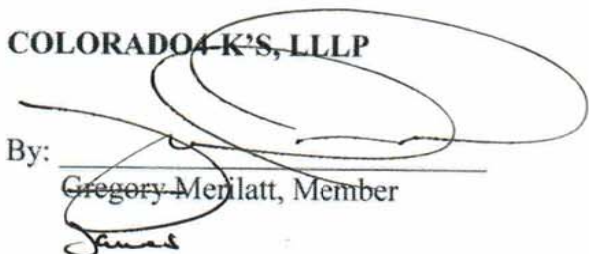
By: 
Victor A. Michael, Jr., Member

CEDAR COVE BROADCASTING, INC.

By: 
Victor A. Michael, Jr. President

BUYER:

COLORADO4K'S, LLLP

By: 
Gregory Merrillatt, Member

SCHEDULE 1

FCC PERMITS

<u>License</u>	<u>File Number</u>	<u>Expiration Date</u>
KDCO(AM) Golden, Colorado	BMML-20140131ART	April 1, 2021
K231BQ Golden, Colorado	BLFT-20140303ABG	April 1, 2021
<u>Pending K231BQ modification application: BPFT-20140522AGQ</u>		

SCHEDULE 9(k)

EQUIPMENT

K231BQ transmitter site:

Nicom 100 Watt FM Transmitter
Scala directional FM transmit antenna
120 feet Andrew LDF4-50 transmission line
Orban 8200 audio processor
ISDN decoder

KDCO Transmitter site:

Sage EAS encoder/decoder
Nautel ND-1 AM transmitter
Orban AM processor
Belar AM modulation Monitor
Potomac Instruments two tower Antenna Monitor
Burk ARC 16 remote control with phone interface
Custom Relay switching panel
2 – Rohn 45G 150 foot guyed towers with base insulators
2- custom antenna tuning units
Custom two tower phasor
Delta Common Point meter
250 feet of Andrew LDF5-50A transmitter line
250 feet of Andrew LDF4-50A transmission line
500 feet of Andrew sample lines
12' x 8' modular transmitter shelter

Schedule 2 – Form of Promissory note

Schedule 3 Form of Security Agreement