

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of the 9th day of August, 2021, by and between Cedar Cove Broadcasting, Inc., a Colorado Nonprofit Corporation ("Seller") and La Hermosa Radio, LLC, an Arizona Limited Liability Company ("Buyer").

Background

WHEREAS, Cedar Cove Broadcasting, Inc. is the licensee of KPHX (AM) Phoenix, Arizona, (Facility ID No. 13790) and K225CT Paradise Valley, Arizona (Facility ID No. 202643) (the "Stations") with the Federal Communications Commission ("FCC"); and

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

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, Seller agrees to convey, transfer and assign to Buyer at the Closing (as defined in Section 3) all of Seller's right, title and interest in and to the Licenses for the Stations (copies of which are annexed hereto in Schedule 1). Other than Seller's 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 KPHX local public file, 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 Seller ONE HUNDRED AND FIFTY THOUSAND DOLLARS (\$150,000.00) (the "Purchase Price") for the Stations according to the following schedule:

1. At Closing, Buyer shall pay to Seller the sum of SIXTY-FIVE THOUSAND DOLLARS (\$65,000.00) by bank cashier's check or bank wire transfer which includes credit for the TEN THOUSAND DOLLAR (\$10,000.00) Deposit.

2. Upon execution of this agreement, Buyer shall pay to Seller a non-refundable deposit of TEN THOUSAND DOLLARS (\$10,000.00) (the "Deposit"). This Deposit will be non-refundable except (i) in the event the FCC Consent do not become Final Order within one year from the date of the filing of the Assignment Application, *and* that the delay of the FCC Consents are not caused by the fault of the Buyer, or (ii) in the event that Seller 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 Seller in any way in which events the Deposit and any accrued interest shall be returned to Buyer.

3. At Closing, Buyer shall deliver to Seller a promissory note in a form satisfactory to Seller for SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00). The promissory note shall obligate Buyer to pay to Seller equal monthly installments of Five Hundred and Fifteen Dollars and Ninety-Two cents (\$515.92) based on a Twenty (20) year amortization schedule at an interest rate of Five and One half (5.5%) 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 Seller's attorney's fees in the event Seller's successfully sue to enforce. A "Balloon" payment for the entire remaining principal 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 Seller 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.

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

3. **Closing.** Within ten (10) business days after the FCC Consent 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 Seller shall deliver to Buyer a Bill of Sale and an Assignment of Licenses, Assignment 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 Seller. Buyer may elect to consummate this transaction prior to the FCC Consent becoming a Final Order and Seller shall cooperate with Buyer if the Closing is accelerated. If the Closing occurs prior to the FCC Consent becoming a Final Order, and the FCC Consent are reversed or otherwise set aside, and there /are a Final Order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Assets shall be rescinded. In such event, Buyer shall re-convey to Seller the Assets, and Seller 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, Seller will cooperate in the filing of such applications in Seller's 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. Seller 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 Consent. Consistent with FCC rules, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holders of the Licenses. The risk of loss of or damage to any of the Assets shall remain with Seller at all times until 12:01 a.m. local time on the day of Closing, and prior to Closing Seller shall repair and replace any lost or damaged Assets.

5. **Conditions Precedent to Closing.**

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

(b) Prior to Closing Seller's principal Victor A Michael, Jr. or the entity owned by Mr. Michael (RF Towers, LLC) that owns the tower from which K225CT currently operate from shall enter into a long-term lease with Buyer for use of such towers on terms mutually agreeable to Michaels and Buyer (the "Michael 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 Seller 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 Seller 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 Seller 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 Seller or Buyer or any party acting on behalf of Seller or Buyer. Seller 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 stations and FM translator stations 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 Seller' 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 Seller' knowledge, threatened against either of the Seller or either of the Stations by or before the FCC. Seller and the Stations are in compliance in all material respects with the Licenses or Special Temporary Authorities, 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 or Special Temporary Authorities, 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) Seller 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, Seller 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 Seller of its representations and warranties under this Agreement; (ii) any default by either of the Seller 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 Seller from and against any and all Damages incurred by Seller 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 Seller at anytime or by either Buyer or Seller if FCC Consents have not become a Final Order 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 8(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 Seller pursuant to Section 8(b), Seller shall be entitled to payment of TEN THOUSAND DOLLARS (\$10,000.00) as liquidated damages. In the event this Agreement is terminated by Buyer pursuant to Section 8(b), Buyer's sole remedy shall be specific performance. Seller 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:

Jacob Garcia – Managing Member
La Hermosa Radio, LLC
2746 W Oranewood Ave
Phoenix, AZ 85051

If to Seller:

Victor A. Michael, Jr., Sole Member
Cedar Cove Broadcasting, Inc.
1418 Bradley Avenue
Cheyenne, WY 82001

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 Seller 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 Arizona, 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 Seller agree to assign all rights and obligations under a certain tower site lease for KPHX(AM) Phoenix, CO, with Torre Alta Enterprises, Inc. (the "KPHX Tower Lease"). Collectively, the KPHX Tower Lease and the Michael 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

SELLER:

CEDAR COVE BROADCASTING, INC.

By: 
Victor A. Michael, Jr., President

BUYER:

LA HERMOSA RADIO, LLC

By: 
Jacob Garcia - Managing Member

SCHEDULE 1

FCC PERMITS

<u>License</u>	<u>File Number</u>	<u>Expiration Date</u>
KPHX (AM) Phoenix, Arizona	BL-20210303AAE	October 1 st , 2021
K225CT Paradise Valley, Arizona	BLFT-20181203AAH	October 1 st , 2021
KPHX(AM) Phoenix, Arizona (w/K225CT)	0000149027 (license renewal)	Pending

SCHEDULE 9(k)

EQUIPMENT

KPHX Transmitter site:

Sage EAS encoder/decoder
Armstrong – AM 1,000 watt transmitter
Orban AM processor
Broadcast Tools WVRC-4 remote control with phone interface
Custom Relay switching panel
Custom Tuning and filtering networks

K225CT Transmitter site:

Energy Onix 20 watt FM transmitter
BEXT Log R custom FM directional antenna system
Inovonics David II FM processor
Inovonics Internet Monitor

Schedule 2 – Form of Promissory note

Schedule 3 Form of Security Agreement

SCHEDULE 2 - Form of Promissory Note

PROMISSORY NOTE

\$75,000

October __, 2021

FOR VALUE RECEIVED, the undersigned, **La Hermosa Radio, LLC**, a Arizona Limited Liability Company ("Maker"), hereby promises to pay to the order of and **Cedar Cove Broadcasting, Inc.**, a Colorado Not-for-Profit Corporation, ("Holder"), at Attn: Victor A Michael Jr, 1418 Bradley Avenue, Cheyenne, Wyoming, 82001, or at such other address specified by Holder to Maker, in immediately available funds, the principal amount of Seventy-Five Thousand Dollars, (\$75,000.00).

This Note is issued pursuant to an Asset Purchase Agreement, dated as of August 9th, 2021, between Maker and Holder (the "Purchase Agreement") relating to Maker's purchase from Holder of substantially all of the assets and licenses AM broadcast Station, KPHX(AM) Phoenix, Arizona and FM translator radio Stations K225CT, Paradise Valley, Arizona (the "Stations"), and is issued on the closing date of the transaction contemplated by the Purchase Agreement.

(i) The principal amount due on this Note is \$75,000.00. This amount is to be amortized over a term of 240 months at 5.5% interest, APR, payable in equal monthly installments of Five Hundred and Fifteen Dollars and Ninety-Two Cents (\$515.92) commencing on the 30th day after the Closing Date and continuing on the same calendar day of each succeeding month. A final "Balloon" payment for any remaining Principal balance shall be made after 120 months from the Closing Date. Buyer may prepay all or any portion of the principal of the Note from time to time without penalty.

Notwithstanding any applicable grace period, if the Holder has not received the full amount of any payment by the end of ten calendar days after the date that Maker receives written notice from Holder that a monthly Note payment is due, the Maker shall pay a late charge to the Holder. The amount of the late charge will be \$500 and shall be due and payable on the date of the next monthly payment. The Maker and the Holder agree that this late charge is a fair and reasonable charge for the late payment and shall not be deemed to be a penalty.

While in default and also after the maturity date, the Note shall bear interest at a default rate of interest equal to 12.00 % per annum; provided further, however, that any such default rate of interest shall not exceed the maximum permitted by law.

Notwithstanding any other provision of this Note, in the event of the sale of the Stations by Maker subsequent to the date of this Note and before the maturity date, the Note shall become due and payable in full by Maker to Holder at the closing on Maker's sale of the Stations pursuant to an FCC approved assignment of license on FCC Form 314 (or any successor form) or transfer of control on Form 315 (or any successor form). Maker shall provide written notice to Holder upon the grant of any such application with the FCC.

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

- (a) Default by Maker in the payment of any installment of principal or

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

(b) Maker shall make an assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or shall file any petition or answer seeking

itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation.

(c) There shall be filed against Maker any petition or application for relief under any bankruptcy or similar law which is not discharged or dismissed within sixty (60) days after the filing of such petition or application; or

(d) Default by Maker under that certain Security Agreement of even date herewith executed by Maker in favor of Holder, which default continues uncured within the applicable cure period set forth therein.

(e) The transfer or assignment of the license issued by the Federal Communications Commission for the operation of the Stations, unless the net amount due under this Note as of the closing on such sale by Buyer (principal and accrued interest) are paid to Holder at the closing of such transaction.

then, and in any such event, Holder may at any time, by written notice to Maker, declare the entire amount of all principal and interest remaining unpaid on this Note due and payable, whereupon the same shall forthwith become due and payable.

All notices and other communications provided for under this Note shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after facsimile transmission or delivery to a courier service which guarantees overnight delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Holder, to:

Victor A. Michael, Jr. - President
Cedar Cove Broadcasting, Inc.
1418 Bradley Avenue
Cheyenne, WY 82001

If to Maker, to:

Jacob Garcia
La Hermosa Radio, LLC
2746 W Oranewood Ave.
Phoenix, AZ 85051

This Note is secured by the terms of a certain Security Agreement of even date herewith and executed by Maker in favor of Holder, and upon the occurrence of an Event of Default Holder may exercise all rights and remedies set forth in said Security Agreement.

This Note may not be modified orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

WAIVER OF PRESENTMENT; NOTICE OF DISHONOR, ETC.

The Maker waives the rights of presentment, dishonor, notice of dishonor, protest, or demand.

DELAY OR OMISSION NO WAIVER.

No delay or omission of the Holder to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy nor shall the same be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Note to the Holder may be exercised by Holder from time to time and as often as may be deemed expedient by the Holder.

WAIVER OF ONE DEFAULT NOT TO AFFECT ANOTHER.

No waiver of any default shall extend to or shall affect any subsequent or any other default or shall impair any right, power or remedy consequent thereon. If the Holder: (a) grants forbearance or an extension of time for the payment of any sums due under this Note; (b) takes other or additional security for the payment hereof; (c) waives or does not exercise any right, power or remedy granted in this Note; or, (d) releases any part of the property securing this Note; then, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Note or of the Maker; nor shall any such act or omission preclude the Holder from exercising any right, power or remedy herein granted or intended to be granted in the event of any other default then made or of any prior or subsequent default.

REMEDIES CUMULATIVE.

No right, power or remedy conferred upon or reserved by the Holder by this Note, or in the Security Agreement executed in connection herewith, is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and current and shall be in addition to any other right, power and remedy given hereunder, in the Security Agreement, or now or hereafter existing at law or in equity or by statute.

HEADINGS.

The headings of the articles, sections, paragraphs and subdivisions of this Note are for convenience of reference only, and are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

RULE OF CONSTRUCTION.

Any ambiguities contained in this Note shall not be construed against the preparers of this document.

INVALID PROVISIONS TO AFFECT NO OTHERS.

If any one or more of the terms or provisions contained in this Note shall be invalid, illegal or unenforceable in any respect, the validity of the remaining terms and provisions contained herein shall be in no way affected, prejudiced or disturbed thereby.

TIME IS OF THE ESSENCE.

It is specifically agreed that time is of the essence in this Note. No waiver of any obligation hereunder shall at any time thereafter be held to be a waiver of the terms hereof.

ATTORNEY'S FEES AND EXPENSES.

Maker agrees to pay to the Holder, on demand, all costs, charges, expenses, disbursements and reasonable attorney's fees not to exceed ten per cent of the amount of principal and interest then outstanding ("Attorney's Fees and Expenses"):

- (A) in enforcing the terms of this Note, whether suit be brought or not;
- (B) in collecting amounts owed under this Note, whether suit be brought or not;
- (C) in any action, proceeding or dispute concerning this Note;
- (D) and, for all documentary stamp taxes and intangible taxes, and any penalties or interest on the documentary stamp taxes and intangible taxes,

provided, however, that if Holder is not the prevailing party in any such litigation, then Holder shall be liable to Maker for its Attorney's Fees and Expenses.

All such costs, charges, expenses, disbursements and attorney's fees, shall bear interest thereon at the default rate of interest specified in this Note, from the date incurred by the Holder until paid.

All such costs, charges, expenses, disbursements and attorney's fees, and all of the accrued interest thereon: (a) shall become due and payable whether or not there be notice, demand, attempt to collect or suit pending; (b) shall be secured by the lien of the Security Agreement securing this Note.

Wherever provision is made for payment of attorney's or counsel's fees or expenses incurred by the Holder, said provision shall include, but not be limited to, attorney's or counsel's fees or expenses incurred in any and all judicial, bankruptcy, reorganization, administrative, or other proceedings, including appellate proceedings, whether such proceedings arise before or after entry of a final judgment.

APPLICABLE LAW; VENUE.

This Note is accepted by Holder in the State of Arizona with reference to the laws of such State, and shall be construed, interpreted, enforced and governed by and in accordance with such laws (excluding the principles thereof governing conflicts of law), and Federal

Law, in the event, and only to the extent, Federal Law preempts State Law. Venue for any litigation concerning this Note shall be in a court of competent jurisdiction located in the State of Arizona.

GENDER AND NUMBER.

All pronouns and variations thereof shall be deemed to refer to the masculine, feminine or neuter, and to the singular or plural, as the identity of the person or entity or persons or entities may require.

CHANGES, OTHER AGREEMENTS, ETC.

Neither this Note nor any term, covenant or condition hereof may be modified, changed, waived, discharged or terminated orally, but only by an instrument, in writing, executed by the party or parties intended to be bound by it, and approved by the Holder.

WAIVER OF TRIAL BY JURY.

THE HOLDER AND THE MAKER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY AGREEMENT TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE HOLDER MAKING THE LOAN EVIDENCED BY THIS NOTE.

[Rest of page intentionally left blank; signatures to follow]

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

La Hermosa Radio, LLC

By: _____
Jacob Garcia – Managing Member

SCHEDULE 3 - FORM OF SECURITY AGREEMENT

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of October ____, 2021, is by and between **La Hermosa Radio, LLC, a Arizona limited liability company (“Debtor”), Cedar Cove Broadcasting, Inc., a Colorado Not-For-Profit Corporation (“Secured Party”).**

Concurrently herewith, and in accordance with that certain Asset Purchase Agreement, dated as of August 9th, 2021 (the “Purchase Agreement”), entered into by and between Debtor and Secured Party, pursuant to which Debtor agreed to purchase from Secured Party the assets and licenses used in the operation of radio stations KPHX(AM) Phoenix, Arizona and K225CT Paradise Valley, Arizona (the “Stations”), Secured Party is lending an aggregate principal amount of Seventy Five Thousand Dollars (\$75,000) to Debtor, which is evidenced by a certain Promissory Note of even date herewith in favor of Secured Party (the “Note”) executed in connection with the Purchase Agreement and delivered to Secured Party.

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

SECTION 1. Security.

(a) As security for the payment of the \$75,000 principal indebtedness under the Note referenced above, and any interest that may accrue thereon (collectively, the “Obligations”), Debtor hereby grants to Secured Party a continuing security interest in the Collateral set forth in Schedule 1 hereto.

(b) Debtor hereby represents and warrants to Secured Party that: (i) except for the lien granted by Debtor in favor of Secured Party pursuant to this Security Agreement, Debtor is, or to the extent that certain of the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance; and (ii) to the best of Debtor’s knowledge, no financing statement covering the Collateral is on file in any public office, other than the financing statements filed pursuant to this Security Agreement.

SECTION 2. Covenants of Debtor.

Debtor hereby covenants that:

(a) Debtor will defend the Collateral against any claims and demands of all other persons at any time claiming the same or an interest therein which would conflict with any claim or interest of Secured Party. Debtor will maintain the tangible property included within the Collateral in good operating condition and repair, and use it only in connection with the operation of

the Station unless disposed of in the ordinary course of business and replaced with equipment of substantially equivalent value. Debtor will not encumber, sell, transfer, assign, abandon or otherwise dispose of the Collateral except for: (i) liens arising from taxes, assessments, charges, levies or claims that are not yet due or that remain payable without penalty or which are being contested in good faith by appropriate proceedings, (ii) liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and so long as execution is stayed on all judgments resulting from any such proceedings, (iii) liens created by this Security Agreement, (iv) dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business, (v) trade-ins, replacements or exchanges of items of Equipment for other items of Equipment having an equal or greater value (in excess of any purchase money liens on such items) and useful in Debtor's business, and (vi) sale of the Station in which the net proceeds as defined in the Note are paid to Secured Party at the closing of the sale transaction.

(b) Debtor will have and maintain insurance on the Collateral with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in the same or a similar business and similarly situated, including without limitation, property and casualty insurance and public liability insurance.

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

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

(e) Debtor will from time to time upon demand furnish to Secured Party such further information and will execute and deliver to Secured Party such financing statements and assignments and other papers and will do all such acts and things as may be necessary or appropriate to establish, perfect and maintain a valid security interest in the Collateral as security for the Obligations (including but not limited to a UCC-1 Financing Statement), and Debtor hereby authorizes Secured Party to execute and file at any time and from time to time one or more financing statements or copies thereof or of this Security Agreement with respect to the Collateral signed only by Secured Party.

(f) In the event that Debtor removes any of the Equipment referred to in Schedule 1 hereto, Secured Party shall maintain its continuing security interest in the Equipment regardless of such Equipment's location.

SECTION 3. Events of Default.

(a) Debtor shall be in default under this Agreement upon the occurrence of any of following events or conditions (each, an “*Event of Default*”):

(i) an “Event of Default” shall occur under the Note and Secured Party’s acceleration of such Note; or

(ii) any representation or warranty made by Debtor in this Security Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made, and such inaccuracy is not cured to the satisfaction of Secured Party within thirty (30) days after the date on which Secured Party gives Debtor written notice of such failure; or

(iii) Debtor shall fail to perform or observe any material term, covenant, or agreement contained in this Security Agreement, and such failure is not cured to the satisfaction of Secured Party within thirty (30) days after the date on which Secured Party gives Debtor written notice of such failure.

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

(c) If an Event of Default shall have occurred the Secured Party may, at its sole option, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy under the Uniform Commercial Code: (a) to enforce payment of the Note or the performance of any term hereof or any other right; (b) to foreclose this Security Agreement and to sell, as an entirety or in separate lots, the Collateral, under the judgment or decree of a court or courts of competent jurisdiction; and, (c) to pursue any other remedy lawfully available to it, all as the Secured Party shall deem most effectual for such purposes. The Secured Party shall take action either by proceedings or by the exercise of its powers with respect to entry or taking possession, as the Secured Party may determine. The Secured Party shall have the continuing option to enforce payment of all sums secured by this Security Agreement by action at law on the Note or by suit in equity to foreclose this Security

Agreement, either or both, concurrently or singularly, and one action or suit shall not abate or be a bar to or waiver of Secured Party's right to institute or maintain the other

(d) The Debtor agrees to the full extent permitted by law, that in case of a default under the Note or this Security Agreement, neither the Debtor nor anyone claiming through or under it shall or will seek to abuse the process of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to unduly delay, prevent or hinder the enforcement or foreclosure of this Security Agreement, or the absolute sale of the property hereby conveyed, to the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat; and the Debtor, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully do so, the benefit of all rights to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof and agrees that the Secured Party or any court having jurisdiction to foreclose such lien may sell the Collateral as an entirety or in separate lots. Nothing herein contained shall be construed to prevent the Debtor, upon default or thereafter from paying off Secured Party in full and redeeming the property from foreclosure.

(e) If an Event of Default shall occur, then upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Secured Party, the Secured Party to the extent permitted by law shall be entitled to seek the appointment of a receiver to enter upon and take possession of the Collateral, subject to the prior consent and approval of the FCC. The receiver shall collect all rents, revenues, issues, income, products and profits thereof, pending such FCC approval proceedings and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the State of Arizona and such other powers as the court making such appointment shall confer, but further subject to the rules and regulations of the FCC. The expenses, including receiver's fees, counsel fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Security Agreement. The right to enter and take possession of, to manage and operate, the Collateral, to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrent therewith or independently thereof. Secured Party shall be liable to account only for such rents, issues and profits actually received by Secured Party.

(f) In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Debtor, its creditors, or its property, the Secured Party, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the

Secured Party allowed in such proceedings for the entire amount due and payable by the Debtor under this Security Agreement at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Debtor hereunder after such date.

SECTION 4. Collection.

Upon the occurrence of an Event of Default pursuant to Section 3(a) hereof:

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

SECTION 5. Limitations.

With respect both to Obligations and Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of Collateral not in Secured Party's possession, and Secured Party's duty with reference to Collateral in its possession shall be to use reasonable care in the custody and preservation of such Collateral, but such duty shall not require Secured Party to engage in:

- (i) the collection of income thereon;
- (ii) the collection of debt; or
- (iii) the taking of steps necessary to preserve rights against prior parties, although Secured Party is authorized to reasonably undertake any such action if deemed appropriate by Secured Party.

SECTION 6. Successors and Assigns.

The covenants, representations, warranties and agreements herein set forth shall be binding upon Debtor, its legal representatives, successors and assigns, as joint and several obligations, and shall inure to the benefit of Secured Party, its successors and assigns.

SECTION 7. Miscellaneous.

(a) All rights and remedies of Secured Party hereunder shall be cumulative and may be exercised singularly or concurrently.

(b) This Agreement shall be governed by and construed under the laws of the State of Arizona, without regard to its principles of conflict of laws, except to the extent that the Uniform Commercial Code of a jurisdiction shall govern assets located in that specific jurisdiction. None of the terms or provisions of this Agreement may be waived, altered, modified, or amended except by an agreement in writing signed by Secured Party and Debtor.

(c) All notices, statements, requests and demands herein provided for shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Secured Party, to:

Victor A Michael, Jr.
Cedar Cove Broadcasting, Inc.
1418 Bradley Avenue
Cheyenne, WY 82001

If to Debtor, to:

Jacob Garcia
La Hermosa Radio, LLC
2746 W Oranewood Ave.
Phoenix, Arizona 85051

(d) No waiver of any default hereunder shall extend to or shall affect any subsequent or any other then existing default or shall impair any right, power or remedy consequent thereon. If the Secured Party: (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment of any sums secured hereby; (c) waives or does not exercise any right granted herein or in the Note; (d) releases any part of the Collateral from the Note or Security Agreement; or, (e) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under the Note, Security Agreement or otherwise of the Debtor or any subsequent purchaser of the Collateral or any part thereof; nor shall any such act or omission preclude the Secured Party from exercising any right, power or remedy herein granted or intended to be granted in the event of any other default then made or of any subsequent default nor, except as otherwise expressly provided in an instrument or instruments executed by the Secured Party, shall the lien of this Security Agreement be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Collateral, the Secured Party, without notice to any person or corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Collateral or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

(e) Secured Party shall not assume or be responsible for the performance of any of Debtor's obligations with respect to the Collateral under any circumstances. Debtor shall immediately provide Secured Party with written notice of and indemnify and hold Secured Party and its shareholders, directors, officers, employees and agents harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action, actions, suits and other legal proceedings (cumulatively 'Claims') pertaining to Debtor's business operations or the Collateral. Debtor, upon the request of Secured Party, shall hire legal counsel to defend Secured Party from such Claims, and pay the attorneys' fees, legal expenses and other costs incurred in connection therewith. In the alternative, Secured Party shall be entitled to employ its own legal counsel to defend such Claims at Debtor's cost.

(f) Debtor agrees to pay to the Secured Party, on demand, all costs, charges, expenses, disbursements and reasonable attorney's fees not to exceed ten per cent of the amount of principal and interest then outstanding under the Note ("Attorney's Fees and Expenses"):

1. in enforcing the terms of the Note and/or this Security Agreement, whether suit be brought or not;
2. in collecting amounts owed under the Note, whether suit be brought or not;
3. in any action, proceeding or dispute concerning the Note or this Security Agreement;
4. in any action, proceeding or dispute in which the Secured Party is made a party or appears as a party plaintiff or party defendant because of the failure of the Debtor to promptly and fully to perform and comply with all conditions and covenants of this Security Agreement or the Note,

provided, however, that if Secured Party is not the prevailing party in any such litigation, then Secured Party shall be liable to Maker for its Attorney's Fees and Expenses.

All such costs, charges, expenses, disbursements and attorney's fees, shall bear interest thereon at the default rate of interest specified in this Note, from the date incurred by the Secured Party until paid.

All such costs, charges, expenses, disbursements and attorney's fees, and all of the accrued interest thereon: (a) shall become due and payable whether or not there be notice, demand, attempt to collect or suit pending; (b) shall be secured by the lien of this Security Agreement.

Wherever provision is made for payment of attorney's or counsel's fees or expenses incurred by the Secured Party, said provision shall include, but not be limited to, reasonable attorney's or counsel's fees or expenses incurred in any and all judicial, bankruptcy, reorganization, administrative, or other proceedings, including appellate proceedings, whether such proceedings arise before or after entry of a final judgment.

(g) SECURED PARTY AND DEBTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE PROMISSORY NOTE, THIS AGREEMENT AND ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH OR THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR SECURED PARTY MAKING THE LOAN EVIDENCED BY THE PROMISSORY NOTE.

SECTION 8. FCC Approval.

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

[THE NEXT PAGE IS THE SIGNATURE PAGE]

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

La Hermosa Radio, LLC

By: _____
Jacob Garcia – Managing Member

Cedar Cove Broadcasting, Inc.

By: _____
Victor A Michael, Jr. - President

SCHEDULE 1

The following assets used or useful in the operation of radio stations KPHX(AM) Phoenix, Arizona and K225CT Paradise Valley, Arizona (the "Stations") are collectively referred to as the "Collateral":

(a) All personal property of Debtor located at the Stations tower facility site and used in connection with the operation of the Station (the "Equipment"). Debtor shall not remove any of the Equipment from its location at the Station tower facility site except for dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business that are replaced by items of equivalent or greater value to be retained at the Stations tower facility site.

(b) All of the Debtor's inventory, merchandise and goods in all forms, used solely in connection with the operation of the Station, whether now existing or hereafter acquired, and the proceeds and products thereof (the "Inventory"); and

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

(d) All accessions, accessories, additions, amendments, attachments, modifications, replacements and substitutions to any of the above.

(e) All proceeds and products of any of the above

(f) All books and records pertaining to any of the above